

Oracle® Lease and Finance Management

User's Guide

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Contents

Send Us Your Comments

Preface

Part 1 Getting Started

1 Introduction

Oracle Lease and Finance Management Overview.....	1-1
Oracle Lease and Finance Management Business Flows.....	1-2

Part 2 Oracle Lease and Finance Management Command Centers

2 Oracle Lease and Finance Management Command Center

Lease and Finance Management Command Center.....	2-2
Overview.....	2-2
Meter Management Dashboard.....	2-4
Vendor Cash Flow Dashboard.....	2-11
Asset Management Dashboard.....	2-16
Period Balances Dashboard.....	2-27
Revision Management Dashboard.....	2-34
Lease Cash Flow Command Center.....	2-40

Part 3 Lead to Opportunity

3 Origination

Origination Overview.....	3-1
Origination Business Process.....	3-4
Vendor Origination.....	3-14
Oracle Applications Origination Integration.....	3-15

4 Quick Quotes and Lease Opportunity

Quick Quotes.....	4-1
Lease Opportunity.....	4-7

5 Pricing

Pricing Overview.....	5-1
Pricing Tools.....	5-2
Pricing Controls.....	5-15

6 Subsidies

Overview.....	6-1
Subsidy Business Process Flow.....	6-2
Authoring Contracts with Subsidies.....	6-4
Subsidy Pools.....	6-8

Part 4 Lease Quote to Credit Decision

7 Lease Sales Quotes

Overview.....	7-1
Create a Lease Sales Quote.....	7-1
Converting an Estimate into a Lease Sales Quote.....	7-13

8 Credit

Overview.....	8-1
Lease Application Setup.....	8-2
Lease Application Business Process.....	8-7
Oracle Lease and Finance Management Credit Lines.....	8-17
Credit Lines Overview.....	8-17
Credit Line Types.....	8-18

Part 5 Credit Application to Booking

9 Master Lease Agreements

Master Lease Agreement Overview.....	9-1
Master Lease Agreements.....	9-1
Create Agreement.....	9-2
Add Terms and Conditions.....	9-4
Add Articles.....	9-5
Activate the Agreement.....	9-6

10 Contract Authoring

Contract Authoring Overview.....	10-1
Create a Contract.....	10-3
Identify Parties on a Contract.....	10-10
Set Terms and Conditions	10-12
Set Taxes and Duties Terms and Conditions.....	10-14
Set Up Billing Terms and Conditions.....	10-17
Set Up Late Charges and Interest Terms and Conditions.....	10-18
Set Up Renewal Options Terms and Conditions.....	10-20
Set Up Pre-funding, Security Deposit, Factoring, and Evergreen Terms and Conditions	10-20
Set Up Residual Value Insurance Terms and Conditions.....	10-22
Set Up Filing Options Terms and Conditions.....	10-23
Set Up Asset Return, Repurchase Process Terms and Conditions.....	10-25
Set Up Purchase Options Terms and Conditions.....	10-27
Set Up Termination Quote Process Terms and Conditions.....	10-31
Set Up Early Termination Quote Calculation Terms and Conditions.....	10-35
Set Up End-of-Term Termination Quote Calculation Terms and Conditions.....	10-42
Set Up Contract Portfolio Terms and Conditions for Asset Tracking (Optional).....	10-49
Create Sales Tax Details.....	10-50
Configure Contract Lines.....	10-53
Set Up Configuration Asset Lines.....	10-54
Record Asset Adjustments.....	10-76
Specify Additional Charges	10-82
Set Up Service Lines.....	10-94
Set Up Usage Lines.....	10-101
Set Up Contract Payment Structure.....	10-103
Set Up Financed Services.....	10-114
Create Interest Rate Details.....	10-119

Set Up Insurance.....	10-121
Enter Additional Contract Data.....	10-127
Enter Extensible Attributes.....	10-129
Book the Contract.....	10-131
Contract Attachments.....	10-140

11 Streams

Streams Overview.....	11-1
Stream Use In Oracle Lease and Finance Management.....	11-3
Stream Generation Overview.....	11-4
View Streams.....	11-7
Manage History Streams.....	11-11

12 Tax

Introduction.....	12-1
Sales Tax.....	12-1
Property Tax.....	12-23

13 Importing Contracts

Importing Existing Contracts.....	13-1
-----------------------------------	------

14 Passthroughs

Overview.....	14-1
Passthrough Business Process	14-2
Passthrough Setups.....	14-6
Vendor Reassignment for Passthrough.....	14-8
Functional Prerequisites.....	14-11
Passthrough Features.....	14-11
Using Passthroughs	14-11
Terminating Contracts.....	14-20
Passthrough Disbursement Retrieval (Clawback) During Receipt Reversal.....	14-21

15 Variable Rate Contracts

Overview.....	15-1
Variable Rate Leases.....	15-2
Variable Rate Loans.....	15-12
Contract Authoring and Variable Rate.....	15-52
Variable Rate Billing.....	15-52
Rebook and Variable Rate.....	15-52

16 Contract Revisions

Contract Revisions Overview	16-1
Revising a Contract	16-3
Add a Re-leased Asset During Contract Revision.....	16-4
Online Rebook	16-6
Effective Dated Rebook	16-35
Reverse a Booked Contract	16-36
View Contracts Under Revision	16-37
Split Asset	16-37
Associate and Delink a Service	16-41
Mass Rebook	16-42
Creating Mass Rebook.....	16-44
Transfer and Assumption	16-44

Part 6 Invoice to Receipt

17 Billing

Billing Overview	17-1
Billing Transactions	17-1
Bill Contractual Amounts.....	17-5
Event Based Billing.....	17-7
Variable Rate Billing.....	17-8
Usage Based Billing.....	17-10
Meter Usage Service.....	17-12
Service Contract Billing.....	17-19
Policy Based Billing.....	17-20
Manual Billing.....	17-21
Advance Billing.....	17-25
Future Pay.....	17-26
Evergreen Billing.....	17-29
Investor Agreement Billing.....	17-30
Billing and Taxes.....	17-31
Third Party Billing.....	17-32
Transaction Summary.....	17-33
Options to Generate and Present Invoices	17-36
Create Invoices	17-37
View and Adjust Invoices	17-44

18 Receipt of Payments

Overview.....	18-1
Create Receipts.....	18-3
Manual Receipts.....	18-4
Creating and Applying Receipts using Autolockbox.....	18-11
Creating Automatic Receipts.....	18-13
Auto Cash Application.....	18-13
Search and View Receipts.....	18-15
Updating Receipts.....	18-17
Cross Currency Receipt Application.....	18-24
Credit Memo Sweep and Line Level Application.....	18-25

19 Disbursements

Disbursements Overview.....	19-1
Disbursements Business Process.....	19-2
Set Up Vendors and Pay Sites.....	19-2
Vendor Disbursement Terms	19-3
Generate Disbursements.....	19-9
Passthroughs and Disbursements.....	19-21
Investor Agreements and Disbursements.....	19-21
Consolidate Vendor Disbursements.....	19-21
Disbursements Integration with Oracle Payables.....	19-24

Part 7 Quote to Termination

20 Termination Quotes

Overview.....	20-1
Create Termination Quote.....	20-14
Search for Termination Quote.....	20-18
Termination Quote Templates.....	20-21
Creating Termination Quote Templates.....	20-21
Using Termination Templates in Termination and Renewal Quotes.....	20-23
Provide Quote.....	20-24
Terminate Assets Using a Program.....	20-41
Obtain Third-Party Approval for Repurchasing Leased Asset.....	20-42

21 Restructure Quotes

Overview.....	21-1
---------------	------

Search and Update Restructure Quotes.....	21-2
Create Restructure Quotes.....	21-3

22 Consolidated Quotes

Overview.....	22-1
Search and Update a Consolidated Quote.....	22-1
Create a Consolidated Quote.....	22-3

23 Renewal Quotes

Overview.....	23-1
Search for and Update Renewal Quotes.....	23-3
Create Renewal Quote.....	23-4
Update Renewal Quote.....	23-6
Quote and Book Fixed Term Renewals for Evergreen Contracts.....	23-9
Create Renewal Contract.....	23-13
Quote and Process a Refinance Renewal.....	23-14
Create and Activate Refinance Contract.....	23-14

24 Contract Terminations

Overview.....	24-1
Search for Terminated Contracts.....	24-3
Request Termination.....	24-4
Managing Outstanding Receivables on Terminations.....	24-6
Batch Process Contract Termination.....	24-7
Processing the Fixed Purchase Option.....	24-9
Terminating Linked Contracts.....	24-9

Part 8 Asset Return to Disposal

25 Asset Returns

Overview.....	25-1
Asset Returns.....	25-1

26 Asset Conditioning

Overview.....	26-1
Asset Conditioning.....	26-1

27 Asset Disposal

Overview.....	27-1
Asset Disposal.....	27-1

28 Maintaining Contract Portfolios

Overview.....	28-1
Maintain Contract Portfolio.....	28-1

Part 9 Period Open to Close

29 Accounting Integration

Accounting Integration Overview.....	29-1
Oracle Lease and Finance Management Transaction Accounting.....	29-2
Components of Oracle Lease and Finance Management Accounting.....	29-3
Setup Considerations for Oracle Lease and Finance Management Accounting.....	29-5
Oracle Lease and Finance Management Accounting Options.....	29-6
Integration with Oracle Subledger Accounting.....	29-7
Multi-GAAP Accounting.....	29-22

30 Accounting Transactions

Accounting Transactions Overview.....	30-1
Oracle Lease and Finance Management Accounting Transactions.....	30-1
Loss Provisions.....	30-4
Like-Kind Exchanges.....	30-6
Assets.....	30-8
Miscellaneous Transactions.....	30-15
Oracle Lease and Finance Management Accounting Processes.....	30-15
Accounting Inquiry.....	30-19
Summary of Period Close Process.....	30-22
Reconciliation Report.....	30-28
Contract Trial Balance.....	30-29
Account Balance.....	30-30

Part 10 Inquiry to Resolution

31 The Lease Center

Overview	31-1
----------------	------

The Lease Center Window	31-5
About the Account Tab	31-20
Account Information.....	31-21
Make A Payment.....	31-23
Issue a Credit Memo.....	31-24
Send Documents for Billing or Receipts.....	31-25
View Account Payment History.....	31-25
View BPA Invoices.....	31-26
About the Transactions Tab	31-26
Search for and View Disbursement Transactions.....	31-26
Search for and View Receipt Information.....	31-27
About the Asset Tab	31-28
View Asset Details.....	31-28
Summary Tab.....	31-29
Serial Numbers Tab.....	31-30
Usage Based Billing Tab.....	31-30
Liens Tab.....	31-30
Registrations Tab.....	31-31
Taxes and Adjustments Tab.....	31-31
Suppliers and Add-ons Tab.....	31-32
Financial Structure and Residual Tab.....	31-33
View Property Tax.....	31-33
Change the Location of Multiple Assets.....	31-34
About the Insurance Tab	31-35
Create a Lease Insurance Quote.....	31-36
Create an Optional Insurance Quote.....	31-37
View Quote Details.....	31-39
View Policy Information.....	31-39
Gather Third-Party Insurance (TPI) Information.....	31-40
Activate Policy.....	31-41
Cancel or Delete Policy.....	31-41
Obtain Policy Details.....	31-42
Log Insurance Claims.....	31-43
Insurance Management.....	31-45
About the Requests Tab	31-47
Termination Quotes.....	31-47
Equipment Exchange.....	31-49
Transfer and Assumptions.....	31-51
Renewal Quotes.....	31-53
Principal Paydown Payments.....	31-53
Convert Interest Rate.....	31-56

About the Documents Tab	31-57
Send a Document.....	31-57
About the Tasks Tab	31-58
About the Schedules Tab	31-59
Amortization Schedule.....	31-60
Payment Schedules.....	31-61
Variable Rate Information.....	31-62
Tax Schedules.....	31-62
About the Vendor Investor Disbursement Window	31-62
Search for a Vendor or Investor.....	31-63
View Disbursement Details for all Contracts for a Vendor or Investor.....	31-63
View Disbursement Details for a Single Contract.....	31-63
About the Related Contracts Tab	31-63
View Related Service Contract Information.....	31-64
About the User-Defined Attributes Tab	31-65

32 Customer Self Service

Overview	32-1
Customer Self Service Prerequisites	32-1
Customer Self Service Home	32-2
View Notifications.....	32-2
View and Create Bookmarks.....	32-2
View Shortcuts.....	32-2
Customer Self Service Contracts	32-2
Search for Contract.....	32-2
View Contract Details.....	32-4
Request Billing Change.....	32-6
Request Invoice Format Change.....	32-6
Search for Assets.....	32-6
View Asset Details.....	32-6
View Asset Returns.....	32-7
Update Serial Numbers.....	32-7
Update Asset Locations.....	32-8
View Insurance Details.....	32-8
Submit Insurance Details.....	32-8
Submit Insurance Claim.....	32-8
Request Insurance Policy Cancellation.....	32-8
Search for and View Quotes.....	32-8
Request Insurance Quote.....	32-9
Accept Insurance Quote.....	32-9

Request Renewal Quote.....	32-9
Accept Renewal Quote.....	32-9
Request Termination Quote.....	32-9
View Payment Schedule Details.....	32-10
Update Counter Readings.....	32-10
Customer Self Service Accounts.....	32-10
Search for Invoices.....	32-10
View Invoice Details.....	32-12
Make a Payment.....	32-12
View Account, Contact, and Site Details.....	32-14

Part 11 Investor Agreements

33 Investor Agreements

Investor Agreements Overview.....	33-1
Implementation Prerequisites for Investor Agreements.....	33-3
Pools.....	33-5
Group Lease Receivables Into Pools.....	33-6
Create a Pool.....	33-7
Add Contents to a Pool.....	33-10
Clean Up a Pool.....	33-12
Pool Transactions.....	33-13
Investor Agreements.....	33-15
Create an Investor Agreement.....	33-16
Search for Investor Agreements.....	33-17
Investors.....	33-19
Terms and Conditions.....	33-23
Activate The Agreement.....	33-24
Transactions	33-25
Viewing Receivable or Payable Invoices.....	33-26
Buy Back Streams.....	33-26
Specific Loss Provision of Investor Agreements.....	33-26
Viewing Accounting Transaction.....	33-27
Disbursement Processing.....	33-27
Investor Agreements for Fixed Pool Type.....	33-27
Investor Management Field References.....	33-32
Add Pool Contents Page Field References.....	33-33
Create Investor Agreement Page Field References.....	33-33
Add Investor Page Field References.....	33-34
Investor Disbursement Page Field References.....	33-35

Investor Revenue Share Field References.....	33-36
Terms and Conditions Field References.....	33-38
Buy Back Streams Field Reference.....	33-39
Create Specific Loss Provision Field References.....	33-39
Stream Types in Investor Agreements.....	33-40
Securitization and Investor Management.....	33-43
Frequently Asked Questions About Investor Agreements.....	33-44

Part 12 Vendor Programs

34 Vendor Agreements

Overview.....	34-1
Create Vendor Account.....	34-2
Vendor Agreements.....	34-2
Define Agreements.....	34-3
Validate Agreements: Applies to Both Operating Agreements and Program Agreements	34-17
Duplicate Agreements: Applies to Both Operating Agreements and Program Agreements	34-19
Update Agreements.....	34-20
Terminate Agreements: Applies to Both Operating Agreements and Program Agreements	34-24
Terminate an Agreement.....	34-24
Abandon an Agreement.....	34-26

35 Cures, Repurchases, and Refunds

Set Up Cures, Repurchases, and Refunds.....	35-1
Define Vendor Program Terms and Conditions.....	35-4
Requesting a Cure or Repurchase.....	35-6
Identify Potential Cures.....	35-7
Create a Cure or Repurchase Request.....	35-7
Sending Cure Requests to Vendors.....	35-10
Process Acceptance.....	35-11
Create a Cure Refund for a Vendor.....	35-12

36 Vendor Residual Sharing

Overview.....	36-1
Business Process.....	36-2
Vendor Residual Sharing Setup.....	36-2
Define Vendor Residual Sharing Terms.....	36-3

Calculate and View Vendor Residual Sharing.....	36-3
View Vendor Share in Vendor Self Service.....	36-4

37 Prefunding and Short Funding

Prefund Pools	37-1
Managing Prefund Pools.....	37-1
Updating Prefund Pool Balance.....	37-2
Prefunding	37-3
Progress Payment.....	37-6
Short Funding	37-7
Creating a Short Fund Request.....	37-7

38 Vendor Self Service

Overview	38-1
Vendor Self Service Prerequisites	38-1
Vendor Self Service Home	38-2
View Notifications.....	38-2
View and Create Bookmarks.....	38-2
Use Shortcuts.....	38-2
Vendor Self Service Agreements	38-2
Search for Agreement.....	38-2
View Agreement Details.....	38-3
Residual Share.....	38-3
Vendor Self Service Quotes	38-3
Vendor Self Service Contracts	38-5
Search for Contract.....	38-6
View Contract Details.....	38-7
Request Billing Change.....	38-8
Request Invoice Format Change.....	38-8
Search for Assets.....	38-8
View Asset Details.....	38-9
View Asset Returns.....	38-10
Update Serial Numbers.....	38-10
Update Asset Locations.....	38-10
View Insurance Details.....	38-10
Submit Insurance Details.....	38-11
Submit Insurance Claim.....	38-11
Request Insurance Policy Cancellation.....	38-11
Search for and View Quotes.....	38-11
Request Insurance Quote.....	38-11

Accept Insurance Quote.....	38-11
Request Renewal Quote.....	38-12
Accept Renewal Quote.....	38-12
Request Repurchase Quote.....	38-12
Request Termination Quote.....	38-12
View Payment Schedule Details.....	38-13
Update Counter Readings.....	38-13
Vendor Self Service Customers.....	38-13
Search for Customer Account.....	38-13
View Customer Account Details.....	38-14
View Customer Invoice Details.....	38-14
Make Customer Payments.....	38-14
Vendor Self Service Accounts.....	38-14
Search for Disbursement.....	38-15
View Disbursement Details.....	38-15
View Account Profile Details.....	38-15

Part 13 Reporting

39 Business Reporting

Business Reporting Overview.....	39-1
Contract Financial Reports.....	39-3

40 Web Services

Overview.....	40-1
Contract Open Interface.....	40-2
Termination Quote Interface.....	40-2
Third Party Billing Interface.....	40-2
Funding Processing API.....	40-3
Update Asset Return.....	40-4
Meter Readings.....	40-5

A Status Definitions

Lease Sales Quotes.....	A-1
Credit Lines.....	A-2
Lease and Loan Contracts.....	A-3
Agreements.....	A-4
Vendor Agreements.....	A-4
Master Lease Agreements.....	A-5

Investor Agreements.....	A-6
Termination Quotes.....	A-7

B Concurrent Programs and Reports

Run Concurrent Programs and View Reports In Lease and Finance Management.....	B-1
List of Concurrent Programs.....	B-2

C Oracle Lease and Finance Management Navigation Paths

Oracle Lease and Finance Management Navigation Paths.....	C-1
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Glossary

Index

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Part No. E48775-23

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- Are the examples correct? Do you need more examples?

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Preface

Intended Audience

Welcome to Release 12.2 of the *Oracle Lease and Finance Management User's Guide*.

This guide assumes you have a working knowledge of the following:

- The principles and customary practices of your business area.
- Computer desktop application usage and terminology.

If you have never used Oracle E-Business Suite, we suggest you attend one or more of the Oracle E-Business Suite training classes available through Oracle University.

See Related Information Sources on page xxiv for more Oracle E-Business Suite product information.

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Structure

- 1 Introduction
- 2 Oracle Lease and Finance Management Command Center
- 3 Origination
- 4 Quick Quotes and Lease Opportunity

5	Pricing
6	Subsidies
7	Lease Sales Quotes
8	Credit
9	Master Lease Agreements
10	Contract Authoring
11	Streams
12	Tax
13	Importing Contracts
14	Passthroughs
15	Variable Rate Contracts
16	Contract Revisions
17	Billing
18	Receipt of Payments
19	Disbursements
20	Termination Quotes
21	Restructure Quotes
22	Consolidated Quotes
23	Renewal Quotes
24	Contract Terminations
25	Asset Returns
26	Asset Conditioning
27	Asset Disposal
28	Maintaining Contract Portfolios
29	Accounting Integration
30	Accounting Transactions
31	The Lease Center
32	Customer Self Service
33	Investor Agreements
34	Vendor Agreements
35	Cures, Repurchases, and Refunds
36	Vendor Residual Sharing
37	Prefunding and Short Funding
38	Vendor Self Service
39	Business Reporting
40	Web Services
A	Status Definitions
B	Concurrent Programs and Reports
C	Oracle Lease and Finance Management Navigation Paths
	Glossary

Related Information Sources

Integration Repository

The Oracle Integration Repository is a compilation of information about the service endpoints exposed by the Oracle E-Business Suite of applications. It provides a complete catalog of Oracle E-Business Suite's business service interfaces. The tool lets users easily discover and deploy the appropriate business service interface for

integration with any system, application, or business partner.

The Oracle Integration Repository is shipped as part of the Oracle E-Business Suite. As your instance is patched, the repository is automatically updated with content appropriate for the precise revisions of interfaces in your environment.

Do Not Use Database Tools to Modify Oracle E-Business Suite Data

Oracle **STRONGLY RECOMMENDS** that you never use SQL*Plus, Oracle Data Browser, database triggers, or any other tool to modify Oracle E-Business Suite data unless otherwise instructed.

Oracle provides powerful tools you can use to create, store, change, retrieve, and maintain information in an Oracle database. But if you use Oracle tools such as SQL*Plus to modify Oracle E-Business Suite data, you risk destroying the integrity of your data and you lose the ability to audit changes to your data.

Because Oracle E-Business Suite tables are interrelated, any change you make using an Oracle E-Business Suite form can update many tables at once. But when you modify Oracle E-Business Suite data using anything other than Oracle E-Business Suite, you may change a row in one table without making corresponding changes in related tables. If your tables get out of synchronization with each other, you risk retrieving erroneous information and you risk unpredictable results throughout Oracle E-Business Suite.

When you use Oracle E-Business Suite to modify your data, Oracle E-Business Suite automatically checks that your changes are valid. Oracle E-Business Suite also keeps track of who changes information. If you enter information into database tables using database tools, you may store invalid information. You also lose the ability to track who has changed your information because SQL*Plus and other database tools do not keep a record of changes.

Part 1

Getting Started

Introduction

This chapter covers the following topics:

- Oracle Lease and Finance Management Overview
- Oracle Lease and Finance Management Business Flows

Oracle Lease and Finance Management Overview

Oracle Lease and Finance Management integrates Oracle Financials applications and is designed to meet the business requirements of asset-based finance companies spanning the entire lease life cycle. The Oracle Lease and Finance Management solution extends from lease origination to contract termination and asset disposition.

A foundation of Oracle E-Business applications—General Ledger, Assets, Inventory, Payables, Order Management, and Receivables — along with key customer relationship management applications such as CRM Foundation, Install Base, Credit Management, iStore, and WorkFlow, underpin Oracle Lease and Finance Management.

Oracle Lease and Finance Management provides Oracle E-Business functions that can be described from the following two perspectives:

- Operations - The daily tasks and responsibilities of people who work in various departments of finance companies, as well as
- Business Flows - The processes that every lease or loan goes through in its path over time, from beginning-to-end, from the lessor's point of view.

From the Operations perspective, people who manage lease contracts and assets define Oracle Lease and Finance Management functionality. From the Business Flow perspective, the processes that finance companies carry out across the entire company in the life cycle of a lease or loan, from inception to termination, also define Oracle Lease and Finance Management functionality.

Oracle Lease and Finance Management Business Flows

Oracle Lease and Finance Management attempts to present its many useful features according to equipment leasing industry key business flows. Features are arranged sequentially according to how they are used for typical tasks in a lease transaction.

Lead to Opportunity

Starting from a first potential business opportunity, Oracle Lease and Finance Management supports the effective matching of lessor or lender with lessee or borrower. A salesperson identifies a prospect's needs, identifies available assets, and provides alternative financing options to structure the lease and calculate the cost basis.

Once you have set up the marketing and program controls, you can process transactions and events through the lease life cycle using the objects you have defined. As you identify potential deals, you may need to provide sample pricing to qualify leads. Sample pricing can be performed without identifying a prospect party. Once you have identified the prospect and a specific lead, you can begin tracking the opportunity.

The opportunity provides a central repository for you to store information about other activities relating to the deal. It also provides a data structure that allows you to create sales forecasts.

Lease Sales Quote to Credit Decision

The Lease Sales Quote to Credit Decision process contains the Opportunity to Lease Sales Quote and the Lease Application to Booking process.

Once you identify a prospect and create an opportunity, more specific pricing may be generated. In addition to adding new pricing estimate scenarios on the Lease Opportunity, you create Lease Sales Quotes by selecting specific inventory items, fees, services, and other quote adjustments to reflect the most accurate possible deal. You can then obtain pricing approvals and indicate prospect acceptance on a Lease Sales Quote. Only one lease quote may be accepted for a Lease Opportunity.

Origination to Funding

After parties agree upon a lease contract, the Lease or Loan Authoring functionality books the contract, creates financial streams, and enters journal entries.

When you select an asset, disbursements functionality deals with paying the vendor or dealer for the asset. Disbursements also pays for service and maintenance costs collected from the lessee and owed to a third-party provider.

The Origination to Funding processes take the lease sales quote through credit approval, vendor payment, contract authoring, and activation, to a booked lease or loan.

Oracle Lease and Finance Management uses Oracle Credit Management, Install Base, Assets, Inventory, Payables and General Ledger to manage the credit, origination, approval, contract authoring, vendor payment, and asset tracking functions. It performs stream generation and pricing, and interfaces with third-party lease financial and price modeling software.

Invoice to Receipt

After you activate a lease, billing functionality generates and sends invoices to lessees or borrowers. Often a lessee has assets at multiple locations under the same lease, and billing has the flexibility to account for many types of variations.

For example, one variation of billing is usage-based billing. This functionality provides billing based upon the usage of the asset as evidenced from meter readings.

The payment functionality allows either the lessor or the lessee to initiate the transfer of funds to pay invoices. Transfers occur in the form of a direct debit, check, wire transfer, credit card, and so on. The Payment process searches for the appropriate invoice to apply the funds and creates accounting entries upon application of funds to the invoices.

As a result of a missed payment, a collection effort may be initiated. Collections and litigation functionality manages the collection process from the point of initially identifying a delinquent customer to the end of the delinquency.

Quote to Termination

The Quote to Termination functionality manages repurchase, restructure, and contract termination alternatives when the lease or loan expires. Oracle Lease and Finance Management processes restructured contracts through contract authoring, stream generation, analysis, and approvals used in contract authoring, to activation and booking.

When you accept a termination quote for sale, assets are retired in Oracle Assets. Oracle Lease and Finance Management also supports partial terminations and uses Oracle Receivables, Credit Management, Assets, CRM Foundation, WorkFlow, and General Ledger to manage the Quote to Termination functions.

Oracle Lease and Finance Management handles requests for renewals, or termination quotes, by initiating a quote for terminating the lease, identifying the formula, calculating, storing, consolidating, and modifying the termination quote. When you complete the quote, several transactions are managed, including Approve termination request, Complete contract termination, and Update asset records.

Asset Return to Disposal

The last step in the lease transaction, remarketing the used assets, manages the disposition of assets upon expiration of a lease contract, at repossession, or at early termination. This functionality manages the remarketing process, whether by sale of the

asset to a third-party remarketer, or by internal remarketing efforts.

The Asset Return to Disposal features handle asset returns, remarketing, and sales. This functionality supports shipping instructions and asset evaluation processes for returned assets. Returns may be accounted for as scrap, repurchases, or inventory to be remarketed. Oracle Lease and Finance Management enables the remarketer to establish prices, bill for costs incurred, calculate third-party commissions, and adjust inventory quantities and status for tracking.

Period Open to Close

After a lease contract is agreed upon, the Lease or Loan Authoring functionality books the contract and creates and enters financial streams and journal entries.

The Accounting processes from Period Open to Close enable accruals, loss provisions, write-downs, periodic adjustments, and journal entries specific to the asset-based finance industry.

Inquiry to Resolution

The Inquiry to Resolution processes start with initial contact from employees, customers, vendors, and partners to the Lease Center. A customer service representative logs and tracks an inquiry through its satisfactory resolution, which is then communicated to the appropriate designated parties.

You define processes to manage specific requests, such as insurance quotes, claims, insurance cancellation, contract transfers, equipment exchanges, asset modifications, and lease renewals. You may enable customer and vendor self-service.

Investor Agreements

Investor management is supported by Oracle Lease and Finance Management by recording investor agreements that provide for syndication and securitization. In addition, Oracle Lease and Finance Management provides investor billing and disbursement features.

Vendor Programs

Vendor management is supported by Oracle Lease and Finance Management in terms of recording vendor program agreements, cure and repurchase tracking, and vendor self-service features.

Part 2

Oracle Lease and Finance Management Command Centers

Oracle Lease and Finance Management Command Center

Lease and Finance Management Command Center

Overview

The Lease and Finance Management Command Center enables you to quickly identify potential problems, narrow the set of transactions requiring attention, and take actions to resolve issues and process updates. Lease and Finance Management includes four dashboards: Meter Management, Vendor Cash Flow, Asset Management, and Revision Management. Use these dashboards to search and view dashboard metrics related to meter readings, vendor payments, assets, and contract revisions. In addition to these dashboards, the Lease Cash Flow Command Center contains its own set of dashboards that include Open Receipts, Invoices, Receipts, and Credit Memos. Key metrics enhance operational efficiency and insight, and charts and summary tables enable you to quickly identify problem areas and take corrective actions.

From the **Meter Management** dashboard, you can:

- View meter information from vendors.
- Validate meter readings at the time of entry.
- Expedite billing.
- Identify uncollected meter readings for submission.

From the **Vendor Cash Flow** dashboard, you can:

- View payments across vendors.
- Review receivables and payables data.
- Initiate payments.
- Trace invoices from receipt to payment.

The **Asset Management** dashboard organizes and displays contracts, assets, and quotes that help to leverage renewal opportunities, manage investment and inventory, and identify operational deficiencies. From the Asset Management dashboard, you can:

- Compare contracts, assets, and quotes.
- View loan and lease type contract information using metrics, charts, and tables.

The **Period Balances** dashboard displays the contract balances to date, failures in the processes, required actions, and systemic gaps that cause an imbalance in the accounts.

The **Revision Management** dashboard tracks contract modifications in progress, completed rebooks, error exceptions, and displays rebook metrics. This dashboard

provides transparency into previous contract versions and underlying data such as streams, net investment value, accounts receivable data, and open invoices. From the **Revision Management** dashboard, you can easily take action to correct exceptions and complete rebooks in progress.

Use the **Lease Cash Flow Command Center** to collect, organize, and display receipt, credit memo, and open invoice information. This helps to prioritize and process cash application tasks.

The Lease Cash Flow Command Center includes the following dashboards:

- **Open Receipts** dashboard - Displays information to help you manage open cash receipts and invoices with the purpose of applying cash.
- **Invoices** dashboard - Displays information to help you manage open invoices and ensure timely application of cash and credit memos.
- **Receipts** dashboard - Displays information to help you manage cash receipts and invoices with the purpose of applying cash.
- **Credit Memo** dashboard - Displays information to help you manage credit memos and ensure timely credit memo application.
- **Payment Predictions** Dashboard - Displays information that helps organizations predict when a customer invoice will be paid enabling them to create collections strategies that help increase the likelihood that they will be paid on time.

Note: The Oracle Lease and Finance Management application configuration and setup must be completed after the installation and common configurations are completed as described in the My Oracle Support Knowledge Document 2495053.1 *Installing Oracle Enterprise Command Center Framework*. For additional ECC Overview information, see *Overview of Oracle Enterprise Command Center Framework*, *Oracle E-Business Suite User's Guide*.

Searching Enterprise Command Center Dashboards

Use the dashboard sidebar to refine (filter) the data on each dashboard. You can also search using a keyword, value, or a specific record. The type-ahead feature suggests matches for your entry that correspond to the selected data set. When you submit a search, the search term is added to the Selected Refinements list, and the dashboard data is refined to include only records that match the search. You can add multiple refinements and remove any of them at any time. Using Saved Searches, you can create and save your searches and refer to them later. You can also edit and delete saved searches.

Use an asterisk (*) or percent sign (%) to perform a partial keyword or record search

that matches any string of zero or more characters. You can also use a question mark (?) to perform a partial search that matches any single character.

Additional Information: For more information about searching for and refining data in enterprise command centers, see *Search in Highlights of an Enterprise Command Center, Oracle E-Business Suite User's Guide*.

Meter Management Dashboard

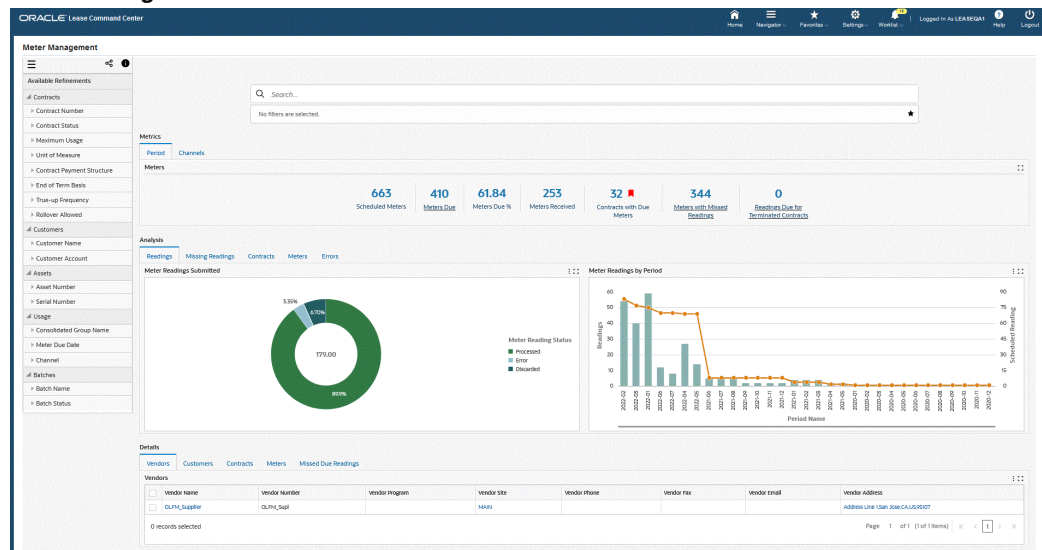
The **Meter Management** dashboard gives you complete visibility into the meter readings collections process across vendors. You can drill into vendor information to see schedules, and to validate and expedite billing.

To navigate to the **Meter Management** dashboard:

(N) Lease Super User > Lease Command Center > Meter Management

You can search by vendors, contracts, customers, assets, usage, batches, and other associated key metrics.

Meter Management Dashboard



Readings										
Readings History Charges Batches Errors										
Readings										
<input type="checkbox"/>	Serial Number	Contract Number	Usage Item	Last Reading Date	Last Meter Reading	Reading Date	Reading	Meter Reading Status	Adjustment Type	Reading Adjustment
<input type="checkbox"/>	04L3339H_381	UBVCKH45	UBS-rem			30-Mar-2022		300 Processed		
<input type="checkbox"/>	04L3339H_381	UBVCKH45	UBS-rem	30-Mar-2022		300	30-Mar-2022	300 Discovered		
<input type="checkbox"/>	04L3339H_381	UBVCKH45	UBS-rem	30-Mar-2022		300	30-Mar-2022	300 Error		
<input type="checkbox"/>	SD5L_1	gibbuvert-matran	UBS-rem			31-Jan-2022		40 Processed		
<input type="checkbox"/>	SD5H-03aaf	gibbuvert_rvtl_stored	UBS-rem	25-Feb-2022		10	31-Mar-2022	5,100 Processed		
<input type="checkbox"/>	SD5H-20aaf	gibbuvert_rvtl_stored	UBS-rem			31-Jan-2022		20 Processed		
<input type="checkbox"/>	SD5H-03aaf	gibbuvert_rvtl_stored	UBS-rem			31-Jan-2022		20 Processed		
<input type="checkbox"/>	SD5H-04	gibbuvert_rvtl_unbracks	UBS-rem			31-Jan-2022		50 Processed		
<input type="checkbox"/>	SD5H-10	gibbuvert-matran	UBS-rem			25-Feb-2022		40 Processed		
<input type="checkbox"/>	04L33445G_381	SD5H_10CH_1	UBS-rem	31-Jan-2022		40	31-Aug-2021	300 Processed		
0 records selected										
								Page 1 of 10 (1-10 of 179 items)		

The following table describes the **Meter Management** dashboard components:

Component	Description
Metrics (tabbed component)	<p data-bbox="873 310 1357 434">Click the Period tab to view the Meters summary bar. This summary bar displays the following key metrics that summarize meter readings:</p> <ul style="list-style-type: none"> <li data-bbox="878 464 1357 575"> <p>Scheduled Meters</p> <p>This metric displays meters that are scheduled to be read for a period.</p> <li data-bbox="878 617 1357 762"> <p>Meters Due</p> <p>This metric displays meter readings that are due but not received. Click this metric to refine the dashboard data.</p> <li data-bbox="878 804 1357 949"> <p>Meters Due Percentage</p> <p>This metric displays the percentage of the percentage of due meter readings that are missing.</p> <li data-bbox="878 991 1357 1102"> <p>Meters Received</p> <p>This metric displays meters that have been received for the period.</p> <li data-bbox="878 1144 1357 1289"> <p>Contracts with Due Meters</p> <p>This metric displays the total number of contracts that have missing meter readings.</p> <li data-bbox="878 1331 1357 1507"> <p>Meters with Missed Readings</p> <p>This metric displays the total number of missing meter readings that passed prior period readings. Click this metric to refine the dashboard data.</p> <li data-bbox="878 1549 1357 1726"> <p>Readings Due for Terminated Contracts</p> <p>This metric displays the total number of meter readings due for terminated contracts. Click this metric to refine the dashboard data.</p> <p data-bbox="873 1768 1349 1795">Click the Channels tab to view the Channels</p>

Component	Description
	<p>Summarization and Exceptions summary bars. These summary bars display the following key metrics:</p> <p>Channels Summarization:</p> <ul style="list-style-type: none"> Manual <p>This metric displays the total number of meter readings entered manually using the Enter Meter Reads page.</p> Other Channels <p>This metric displays the total number of meter readings that have been submitted using other channels that could include the vendor portal.</p> Files Uploaded <p>This metric displays the total number of uploaded meter reading files.</p> <p>Exceptions:</p> <ul style="list-style-type: none"> Errors <p>This metric displays the total number of errors in files that were uploaded manually or through other channels.. Click this metric to refine the dashboard data.</p> Warnings <p>This metric displays the total number of warnings of files that were uploaded using manual entry or other channels. Click this metric to refine the dashboard data.</p>

Component	Description
Analysis (tabbed component) Readings (tab)	<p>The Meter Readings Submitted chart displays the percentage of meter readings at each status.</p> <p>The Meter Readings by Period chart displays meter readings by period name based on the schedule.</p>
Analysis (tabbed component) Missing Readings (tab)	<p>The Missed Readings chart displays missed meter readings by the top 10 vendors due this period.</p> <p>The Trend of Missing Readings chart displays the percentage breakdown (by selected and filtered meters) of missing meter readings for the prior periods.</p>
Analysis (tabbed component) Contracts (tab)	<p>The Usage Contract Segmentation chart displays the number of contracts with meter readings due, displayed by user-selected group dimension segment values.</p> <p>The Number of Contracts by Vendor chart displays the number of contracts with meter reading due, displayed by vendor.</p>
Analysis (tabbed component) Meters (tab)	<p>The Meters Classification Segmentation chart displays the percentage of meters listed by various segments. In this case segments can be based on the selected dimension. For example, Country can be U.S., Canada, etc. Asset Category can be equipment, trucks, computer, etc. Usage Item can be printers (black and white, color), etc.</p>
Analysis (tabbed component) Errors (tab)	<p>The Error Segmentations chart displays the percentage of meter reads with errors by error code.</p> <p>The Trend of Error Readings chart displays the number of meters with read errors by vendor, manufacturer, channel, and usage item.</p>

Component	Description
Details (tabbed component)	<p>The Details tables display lease information in the following tabs:</p> <ul style="list-style-type: none"> Vendors <p>This table displays all vendor information on the usage line.</p> Customers <p>This table displays customer information with the usage line.</p> Contracts <p>This table displays contracts with usage line.</p> Meters <p>This table displays received meter information. From the drop-down list, you can select views to display details by Meter Readings or Meter Usage.</p> Missed Due Readings <p>This table displays missed meter reading information. In the upper right region of this table, you can click the Timeline View icon to view the missed readings from the table in a timeline format.</p> <p>Note: You can click attribute values in each table to refine the dashboard data.</p>

Component	Description
Readings (tabbed component)	<p>The Readings results tables display lease information in the following tabs:</p> <ul style="list-style-type: none"> Readings <p>This table displays readings received information. From the drop-down list, you can select views to display details by Readings or Usage.</p> History <p>This table displays meter reading history. From the drop-down list, you can select views to display details by Readings History or Usage History.</p> Charges <p>This table displays invoiced amount information for received meters. From the drop-down list, you can select views to display details by:</p> <ul style="list-style-type: none"> Charges Contracts Receivables Payables Batches <p>This table displays batch-related information for submitted meter readings.</p> Errors <p>This table displays error information.</p> <p>You can click attribute values in each table to refine the dashboard data.</p>

Vendor Cash Flow Dashboard

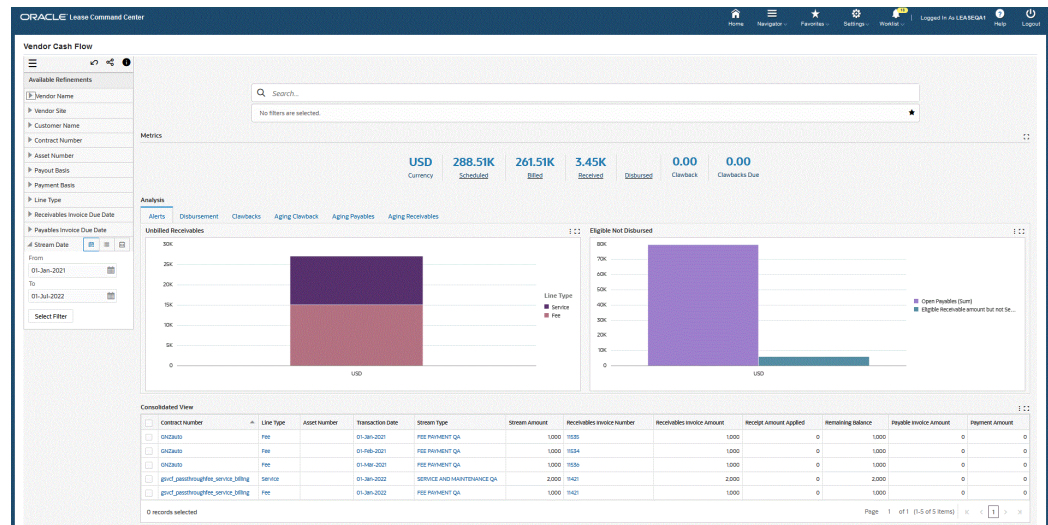
The **Vendor Cash Flow** dashboard provides you with complete visibility for managing the pass-through disbursements to vendors and ensuring that they are paid correctly and timely.

To navigate to the **Vendor Cash Flow** dashboard:

(N) Lease Super User > Lease Command Center > Vendor Cash Flow

You can search by vendor name or site, contract number or status, payment data, and associated key metrics. The dashboard enables you to navigate to the Lease and Finance Management pages and the Invoice window to update records.

Vendor Cash Flow Dashboard



Details

Pass-Through Status

Payables

Force Pass-Through	Payables Invoice	Receivables Invoice	Vendor Name	Vendor Site	Payout Status	Payment Status	Payables Invoice Number	Payables Invoice Date	Payables Invoice Amount	Payment Number	Payment Date	Payment Amount	Payables Invoice Type
<input type="checkbox"/>	View Invoice	View Invoice	CLM Supplier	ADDRESS LINE 1 SAN JOSE CA	Billing	Source Data							
<input type="checkbox"/>	View Invoice	View Invoice	albert Manufacturing	1445 Breaker Rd. San Jose CA	Billing	Processing Data							
<input type="checkbox"/>	View Invoice	View Invoice	albert Manufacturing	1445 Breaker Rd. San Jose CA	Billing	Processing Data							
<input type="checkbox"/>	View Invoice	View Invoice	albert Manufacturing	1445 Breaker Rd. San Jose CA	Billing	Processing Data							
<input type="checkbox"/>	View Invoice	View Invoice	albert Manufacturing	1445 Breaker Rd. San Jose CA	Billing	Processing Data							
<input type="checkbox"/>	View Invoice	View Invoice	albert Manufacturing	1445 Breaker Rd. San Jose CA	Billing	Processing Data							
<input type="checkbox"/>	View Invoice	View Invoice	albert Manufacturing	1445 Breaker Rd. San Jose CA	Billing	Processing Data							
<input type="checkbox"/>	View Invoice	View Invoice	albert Manufacturing	1445 Breaker Rd. San Jose CA	Billing	Processing Data							
<input type="checkbox"/>	View Invoice	View Invoice	albert Manufacturing	1445 Breaker Rd. San Jose CA	Billing	Processing Data							
<input type="checkbox"/>	View Invoice	View Invoice	albert Manufacturing	1445 Breaker Rd. San Jose CA	Billing	Processing Data							

0 records selected

Page 1 of 5 (1-10 of 47 Items)

The following table describes the **Vendor Cash Flow** dashboard components:

Component	Description
Metrics (summary bar)	<p>The Metrics summary bar displays the following key payments and receivables metrics:</p> <ul style="list-style-type: none"> Currency <p>This metric displays the selected contract currency. The default view displays Multiple in the currency bucket when you select the currency display metrics.</p> Scheduled <p>This metric displays the total amount for stream element and billing transactions with stream element due date and any billing transactions (usage, rebook, termination, manual invoices) with the due date within the selected period. Anything not billed uses streams. Anything billed uses the transaction date. Click this metric to refine the dashboard data.</p> Billed <p>This metric displays the sum of the line amount of the AR invoices with invoice due date within the selected period. For advance cases, there is no metric for the receivables side. Click this metric to refine the dashboard data.</p> Received <p>This metric displays the sum of the applied receipts amount and rollover credit memos associated with pass-through fees, services, and usage with a receipt date within the selected period. Click this metric to refine the dashboard data.</p> Disbursed <p>This metric displays the total pass-through disbursement amount that was</p>

Component	Description
	<p>paid (outgoing cash) to the vendor within the selected period. This includes cash paid and credit applied (with the credit applied date within the selected period). Click this metric to refine the dashboard data.</p> <ul style="list-style-type: none"> Clawback <p>This metric displays the total amount of accounts payable credit memos dated within the selected period. This includes both open and closed credit memos.</p> Clawbacks Due <p>This metric displays the total amount of open AP credit memos. This is life-to-date and the amounts are irrespective of contract status. This includes AP credit memos that are not yet applied.</p>
Analysis (tabbed component) Alerts (tab)	<p>The Unbilled Receivables chart displays the percentages for unbilled receivables by line type.</p> <p>The Eligible Not Disbursed chart displays the percentages for eligible receivables by line type.</p>
Analysis (tabbed component) Disbursement (tab)	<p>The Pass-Through Disbursements by Vendor chart displays the total pass-through disbursements paid to the top 10 vendors in the selected period. This includes cash paid and credit applied.</p> <p>The Disbursement by Period chart displays the total pass-through disbursements paid to vendors in the selected period. This includes cash paid and credit applied.</p>

Component	Description
Analysis (tabbed component) Clawbacks (tab)	<p>The Clawbacks (Vendors) chart displays the top 10 vendors with clawback amounts. This chart is sorted by vendors with the largest clawback amounts for the selected period.</p> <p>The Clawback by Month chart displays clawbacks by month.</p>
Analysis (tabbed component) Aging Clawback (tab)	<p>The Aging Clawbacks (Vendors) chart displays all aged AP credit memos grouped by the top 10 Vendors.</p> <p>The Aging Clawback by Month chart displays the aged AP credit memos grouped by month.</p>
Analysis (tabbed component) Aging Payables (tab)	<p>The Aging Payables chart displays all aged AP invoices.</p> <p>The Aging Payables (Vendors) chart displays the complete history of the total aged AP Invoices grouped by the top 10 Vendors.</p>
Analysis (tabbed component) Aging Receivables (tab)	<p>The Aging Receivables chart displays all aged AR invoices.</p> <p>The Aging Receivables (Customers) chart displays the complete history of the total aged AR invoices grouped by the top 10 Customers.</p>
Consolidated View (table)	<p>The Consolidated Review table displays a high-level view of vendor receivables and payables transactions.</p>

Component	Description
Details (tabbed component)	<p data-bbox="971 304 1458 367">The Details results tables display vendor cash flow details in the following tabs:</p> <ul style="list-style-type: none"> <li data-bbox="971 388 1243 420"> Pass-Through Status <p data-bbox="1016 451 1458 703">This table displays a complete view from receivables to payables of invoices sent to customers and receipts applied to the AR invoices. Pass-through of an AP invoice is created to view payments made to vendors. From the drop-down list, you can select views to display details from the following categories:</p> <ul style="list-style-type: none"> <li data-bbox="1016 724 1273 756">Pass-Through View <li data-bbox="1016 787 1154 819">Contract <li data-bbox="1016 850 1187 882">Receivables <li data-bbox="1016 913 1159 945">Payables <p data-bbox="1032 997 1438 1134">Note: You can click the View Invoice link in the Receivables Invoice column to view the invoice drawer for the selected record.</p> <li data-bbox="971 1207 1138 1239"> Clawbacks <p data-bbox="1016 1270 1458 1396">This table displays all clawbacks within the selected period. From the drop-down list, you can select views to display details by:</p> <ul style="list-style-type: none"> <li data-bbox="1016 1417 1230 1449">Clawback View <li data-bbox="1016 1480 1276 1512">Vendor Information <li data-bbox="1016 1543 1312 1575">Additional Information <li data-bbox="971 1638 1187 1669"> Aging Payables <p data-bbox="1016 1690 1446 1764">This table displays the aging period for open payables. From the drop-down list,</p>

Component	Description
	<p>you can select the following views:</p> <ul style="list-style-type: none"> • Aging Payables • Vendor Payables <p>Note: You can click the View Invoice drawer link in the Payables Invoice column to view the invoice for the selected record.</p>
	<ul style="list-style-type: none"> • Aging Receivables <p>This table displays aging period for open receivables. From the drop-down list, you can select views to display details by:</p> <ul style="list-style-type: none"> • Aging Receivables • Customer Information <p>Note: You can click the View Invoice drawer link in the Receivables Invoice column to view the invoice for the selected record.</p>
	<ul style="list-style-type: none"> • Aging Clawbacks <p>This table displays aging period for open clawbacks. From the drop-down list, you can select views to display details by:</p> <ul style="list-style-type: none"> • Aging Payables • Vendor Clawbacks

Asset Management Dashboard

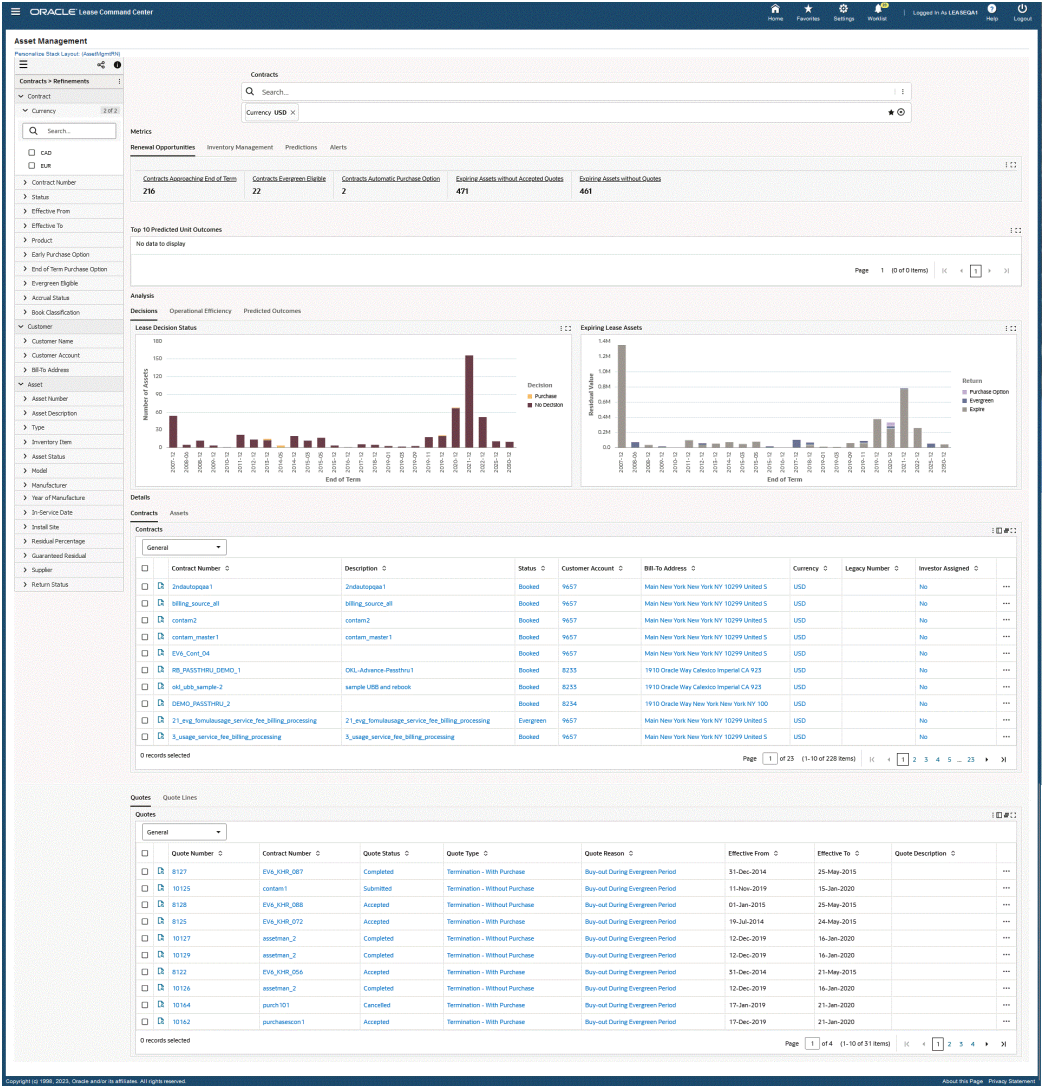
The **Asset Management** dashboard collects, organizes, and displays loan and lease contracts, assets, and quotes in a manner that helps users leverage renewal opportunities, manage investment and inventory, and address operational

inefficiencies.

To navigate to the **Asset Management** dashboard:

(N) Lease Super User > Lease Command Center > Asset Management

Asset Management Dashboard



The following table describes the **Asset Management** dashboard components:

Component	Description
Metrics (tabbed component) Renewal Opportunities (tab)	<p>The Metrics summary bar displays the following asset renewal opportunities metrics:</p> <ul style="list-style-type: none"> Contracts Approaching End of Term This metric displays the number of booked loan and lease contracts that will reach end of term within the selected date range. Contracts Evergreen Eligible This metric displays the number of booked contracts with the Evergreen Eligible option selected. Contracts Automatic Purchase Option This metric displays the number of booked contracts with an automatic purchase option defined in their terms and conditions. Expiring Assets Without Accepted Quotes This metric displays the number of booked contract assets without accepted quotes that will reach end of term within the selected date range, and do not have automatic purchase options or are evergreen eligible. Loans and finance services are excluded from this metric. Expiring Assets Without Quotes This metric displays the number of booked contract assets without quotes that will reach end of term within the selected date range, and do not have automatic purchase options or are evergreen eligible. Loans and finance services are excluded from this metric. <p>To refine the dashboard data, click a metrics link.</p>

Component	Description
Metrics (tabbed component) Inventory Management (tab)	<p>The Metrics summary bar displays the following inventory metrics:</p> <ul style="list-style-type: none"> Inventory This metric displays the number of units returned, available for sale, manual release, or repossessed. Return Scheduled This metric displays the number of units with return request status of Scheduled. Returns Past Due This metric displays the number of units that have not been returned by termination effective date or expiration date. They are in scheduled status but the system date is later than the termination effective date or the expiration date. Pending Release This metric displays the number of units with the request status of Manual Release. Available For Sale This metric displays the number of units with request status of Available for Sale. Pending Disposition This metric displays the number of units in Returned and Repossess status. Termination Suspense Days This metric displays the average number of days between the date returned and termination-processing date for assets where the return date is earlier than the termination date. Loans and finance services are excluded from this metric.

Component	Description
	<ul style="list-style-type: none"> <li data-bbox="878 306 1187 340">• Average Off-Lease Days <p data-bbox="922 363 1354 520">This metric displays the average number of days that an asset is off lease and is available for re-marketing or disposal. Loans and finance services are excluded from this metric.</p> <p data-bbox="873 558 1341 617">To refine the dashboard data, click a metrics link.</p>

Component	Description
Metrics (tabbed component) Predictions (tab)	<p>The Predictions summary bar displays the following alert metrics:</p> <ul style="list-style-type: none"> Contracts This metric displays the total number of contracts. Assets This metric displays the total number of active assets. Units This metric displays the total number of units that are in active assets within booked and evergreen leases. Early Termination Units For the assets predicted to be terminated up to 60 days before their end of term, this metric displays the total number of units that are in active assets within booked contracts. End of Term Termination Units For the assets predicted to expire or be terminated in the last 60 days before their end of term, this metric displays the total number of units that are in active assets within booked contracts. Renewal Units For the assets predicted to be renewed (evergreen, FTR, Rollover), this metric displays the total number of units that are in active assets within booked lease contracts. Default Units This metric displays the total number of units that are in active assets within

Component	Description
	<p>booked and evergreen leases and loans that are predicted to be terminated with write-off or reclass request type.</p> <ul style="list-style-type: none"> Repossession Units <p>This metric displays the total number of units that are predicted to be repossessed. This only applies to loans.</p>
Metrics (tabbed component) Alerts (tab)	<p>The Metrics summary bar displays the following alert metrics:</p> <ul style="list-style-type: none"> Errored Terminations <p>This metric displays the number of termination transactions with errors for loan and lease contracts.</p> Errored Expirations <p>This metric displays the number of expiration transactions with errors for loan and lease contracts.</p> Terminated Not Returned <p>This metric displays the number of units that have been terminated or expired, but the asset return request remains in Scheduled status.</p> Quotes Pending Approval <p>This metric displays the number of quotes in Submitted status for loan and lease contracts.</p> Evergreen Conversion Errors <p>This metric displays the number of evergreen transactions with errors.</p> <p>To refine the dashboard data, click a metrics link.</p>

Component	Description
Top 10 Predicted Unit Outcomes (results grid)	<p>The Top 10 Predicted Unit Outcomes (results grid) displays the the top predicted outcomes of units that are in active assets within booked contracts. Predicted Unit Outcomes include:</p> <ul style="list-style-type: none"> • Early Return • Early Purchase • Loan Early Payoff • End of Term Return • End of Term Purchase • Loan End of Term Payoff • Refinance • Fixed Term Renewal • Evergreen • Rollover • Default • Loan Early Repossession • Loan End of Term Repossession • Undetermined

Component	Description
Analysis (tabbed component) Decisions (tab)	<p>The Lease Decision Status chart displays the number of assets for each period by accepted quote, evergreen, or purchase option as of the system date. This chart excludes loan contracts and is intended for current and future periods, but can be used for past periods.</p> <p>The Expiring Lease Assets chart displays what happens to expiring assets if termination quotes are not accepted. This chart excludes loan contracts. The chart deducts the effect of any accepted quotes on expiring assets and is intended for current and future periods.</p>
Analysis (tabbed component) Operational Efficiency (tab)	<p>The Quote Life Cycle chart displays the average number of days between the following points for completed quotes for loan and lease contracts:</p> <ul style="list-style-type: none"> • Creation to Approval • Approval to Acceptance • Acceptance to Completion <p>The Returns Past Due chart displays the overdue return amount and the number of days past due. Each bucket (X-axis) represents the number of days between the termination effective from date, or for expired assets, the end of term date and the system date.</p>
Analysis (tabbed component) Predicted Outcomes (tab)	<p>The Predicted Outcomes chart displays the total number of units for assets reaching end of term within the calendar period. Each bar in this chart represents a calendar month. The first month displayed is the next calendar month from the system date. Each bar is also divided in colors that represent an outcome type.</p> <p>The Predicted Returns chart displays the total number of units for assets that are returned.</p>

Component	Description
Details (tabbed component)	<p>The Details results tables display asset detail attributes in the following tabs:</p> <ul style="list-style-type: none"> • Contracts - displays information for loan and lease contracts. • Assets - includes finance services information. • Quotes - includes loan and repossession information. • Quote Lines - includes loan and repossession information. <p>Click the Options icon to Compare selected records and Export the data set.</p> <p>Note: You can click the following icons and action links to perform the following:</p> <p>Contracts table:</p> <ul style="list-style-type: none"> • Record Details - Click this icon to open the Dialog Box to view details for the selected record. • View Accounting - Click this action link to navigate to the Accounting Reconciliation dashboard to view accounting details. • Create Quote - Click this action link to navigate to the Contract Modifications Quote page to create and manage quotes. • View Balances - Click this action link to navigate to the Balances page to view contract balances. • View Invoice - Click this action link to navigate to the Lease Cash Flow Command Center, Invoices dashboard

Component	Description
	<p>to view invoice information and manage invoices.</p> <ul style="list-style-type: none"> • Timeline View - click this icon icon to view contracts from the table in a time line (chronological) format. <p>Assets table:</p> <ul style="list-style-type: none"> • Record Details - Click this icon to open the Dialog Box to view details for the selected record. • Create Quote - Click this action link to navigate to the Contract Modifications Quote page to create and manage quotes. • View Balances - Click this action link to navigate to the Balances page to view contract balances. • Update Asset Return - Click this action link to open the Update Asset Return page and update details for the selected record. Changes are immediately updated and reflected in the dashboard tables. • Create Asset Return Request - Click this action link to open the Create Asset Return Request page. • View Asset Return Request - Click this action link to view asset return requests associated with an asset. • View Influential Attributes - Click this action link to view attributes that influence quotes associated with an asset. <p>Quotes table:</p>

Component	Description
	<ul style="list-style-type: none"> • Record Details - Click this icon to open the Dialog Box to view details for the selected record. • View Accounting - Click this action link to navigate to the Accounting Reconciliation dashboard to view accounting details. • Update Quote - Click this action link to open the Termination Quote page and update quote details. Changes are immediately updated and reflected in the dashboard tables. • Timeline View - click this icon icon to view quotes from the table in a time line (chronological) format. <p>Quote Lines table:</p> <ul style="list-style-type: none"> • Record Details - Click this icon to open the Dialog Box to view details for the selected record. • Update Asset Return - Click this action icon to open the Update Asset Return page and update details for the selected record. Changes are immediately updated and reflected in the dashboard tables.

Period Balances Dashboard

Period Balances Dashboard

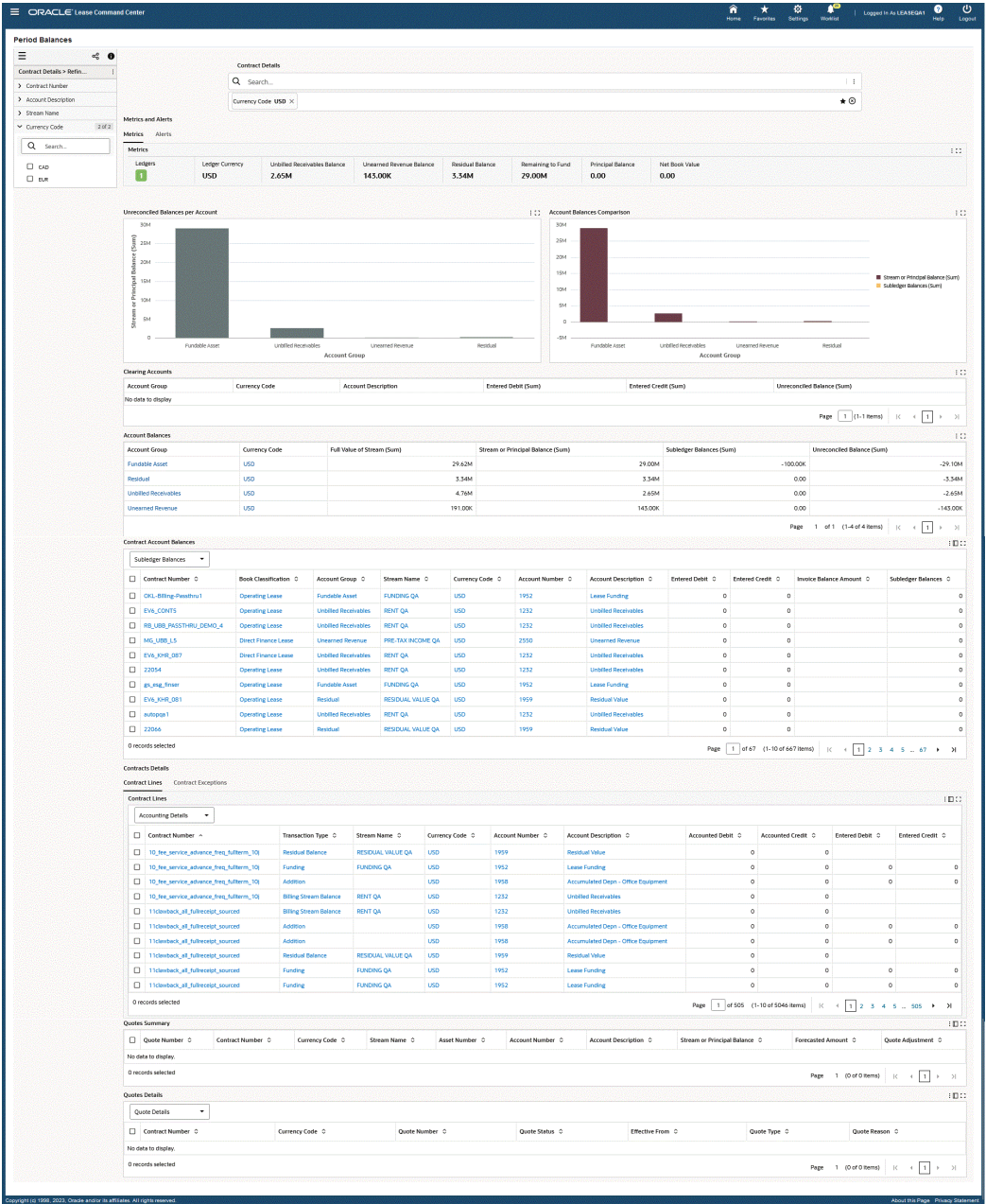
The **Period Balances** dashboard displays the contract balances to date, failures in the processes, required actions, and systemic gaps that cause an imbalance in the accounts. A prerequisite for using this dashboard is to create a reconciliation template with the type defined as **Reconciliation**. This dashboard is designed to:

- Display contract balances to date for given accounts
- Display transaction processing exceptions
- Provide prerequisite steps during quote processing
- Display all loan balances to date

To navigate to the **Period Balances** dashboard:

(N) Lease Super User > Lease > Finance (tab) > Period Balances (sub-tab)

Period Balances Dashboard



The following table describes the **Period Balances** dashboard components:

Component	Description
Metrics (summary bar)	<p data-bbox="873 310 1284 369">The Metrics summary bar displays the following metrics:</p> <ul style="list-style-type: none"> <li data-bbox="873 396 1349 512"> <p data-bbox="922 396 1008 424">Ledgers</p> <p data-bbox="922 451 1349 512">This metric displays the Ledger selected by the user.</p> <li data-bbox="873 552 1365 667"> <p data-bbox="922 552 1105 579">Ledger Currency</p> <p data-bbox="922 606 1365 667">This metric displays the selected currency for the operating unit.</p> <li data-bbox="873 707 1360 884"> <p data-bbox="922 707 1247 735">Unbilled Receivables Balance</p> <p data-bbox="922 762 1360 884">This metric displays the total amount of all streams for the purpose of RENT from DF contracts that are not billed in the dataset.</p> <li data-bbox="873 924 1349 1071"> <p data-bbox="922 924 1222 951">Unearned Revenue Balance</p> <p data-bbox="922 978 1349 1071">This metric displays the total amount all streams that are not yet accrued in the dataset from DF contracts.</p> <li data-bbox="873 1110 1354 1257"> <p data-bbox="922 1110 1110 1138">Residual Balance</p> <p data-bbox="922 1165 1354 1257">This metric displays the total amount of residual value of the assets in the dataset from DF contracts.</p> <li data-bbox="873 1297 1344 1413"> <p data-bbox="922 1297 1133 1325">Remaining to Fund</p> <p data-bbox="922 1352 1344 1413">This metric displays the total amount of all fundable assets in the dataset.</p> <li data-bbox="873 1453 1344 1600"> <p data-bbox="922 1453 1114 1480">Principal Balance</p> <p data-bbox="922 1507 1344 1600">This metric displays the total amount of outstanding principal balances on loan contracts.</p> <li data-bbox="873 1640 1354 1734"> <p data-bbox="922 1640 1354 1734">Net Book Value This metric displays the value of assets transactions for the selected Corporate Book.</p>

Component	Description
Alerts (summary bar)	<p>The Alerts summary bar displays the following metrics:</p> <ul style="list-style-type: none"> Unaccounted Contracts <p>This metric displays the number of all unaccounted subledger transactions in Final and have origination in Oracle Lease and Finance Management and can be in any subledger. This metric also includes contracts that have unaccounted asset transactions.</p> Unbilled Rent or Principal <p>This metric displays the total non-billed but due amounts for billing (rents only) or principal payment.</p> Unaccrued Streams <p>This metric displays the total amount of unaccrued transactions that are due for accrual (pre-tax income from rents).</p> Contracts with Unprocessed Receivables <p>This metric displays the number of unprocessed receivables transactions.</p> Contracts with Unprocessed Payables <p>This metric displays the number of unprocessed payables transactions.</p> Contracts with Unprocessed Assets <p>This metric displays contracts with unprocessed assets.</p> <p>Note: You can click each alert to filter contracts with the selected exception and navigate directly to lease exceptions under Contract Exceptions in the Contract Details table.</p>

Component	Description
Charts	<p>The Unreconciled Balances Per Account chart displays un-reconciled balances for given accounts for the reconciliation period.</p> <p>The Account Balances Comparison chart displays balance comparison between the stream balances and subledger balances for given accounts.</p>
Clearing Accounts (table)	<p>The Clearing Accounts table displays reconciliation Clearing Account information. Asset Clearing Accounts also include asset transactions in order to reconcile the clearing accounts.</p>
Account Balances (table)	<p>The Account Balances table displays account balances for various account groups. You can click a specific Account Group value in the table to refine and display the dashboard data for that account group.</p>
Contract Account Balances (table)	<p>The Contract Account Balances table displays GL account balances by Contract. You can click various attribute values in the table to refine the dashboard data. From the drop-down list, you can select views to display contract account balances by:</p> <ul style="list-style-type: none"> • Subledger Balances • Stream Balances • Interest Parameters

Component	Description
Contracts Details (tabbed component) Contract Lines (tab)	<p>The Contract Lines table displays attributes pertaining to contract lines. You can click various attribute values in the table to refine the dashboard data. From the drop-down list, you can select views to display contract lines by:</p> <ul style="list-style-type: none"> Accounting Details Transaction Details Others
Contracts Details (tabbed component) Contract Exceptions (tab)	<p>The Contract Exceptions table displays contract exceptions and you can select to display Receivables, Payables, and Lease attributes. You can click various attribute values in the table to refine the dashboard data. From the drop-down list, you can select views to display contract exceptions by:</p> <ul style="list-style-type: none"> Receivables Payables Lease Assets
Quotes Summary (table)	<p>The Quotes Summary table displays quote summary data by contract. You can click various attribute values in the table to refine the dashboard data. Click the Options icon to Export the data set.</p>

Component	Description
Quotes Details (table)	<p>The Quotes Details table displays quote detail attributes. You can click various attribute values in the table to refine the dashboard data. From the drop-down list, you can select views to display contract lines by:</p> <ul style="list-style-type: none"> • Quote Details • Asset Details • Account Balances

Revision Management Dashboard

The **Revision Management** dashboard enables you to modify or rebook a contract during its term. A modification can include a change to any part of the contract, including term extension, restructure of payments, due date, and so on. From the **Revision Management** dashboard, you can:

- Track and view historical changes that have occurred on a contract.
- Capture and view contract and asset net investment along with the related formulas for each version of the contract.

To navigate to the **Revision Management** dashboard:

(N) Lease Super User > Lease Command Center > Revision Management

You can analyze contract revision data using metrics, charts, graphs, and tables. The following is a partial display of the **Revision Management** dashboard.

Component	Description
Manual Rebooks (tabbed component)	<p data-bbox="873 310 1349 369">The Manual Rebooks summary bar displays the following metrics:</p> <ul style="list-style-type: none"> <li data-bbox="873 396 1144 422"> <p data-bbox="922 396 1144 422">Rebooks in Progress</p> <p data-bbox="922 453 1328 573">This metric displays the number of contracts that are in the process of re-booking. Click this metric to refine the dashboard data.</p> <li data-bbox="873 617 1144 642"> <p data-bbox="922 617 1144 642">Completed Rebooks</p> <p data-bbox="922 674 1344 758">This metric displays the number of completed re-books. Click this metric to refine the dashboard data.</p> <li data-bbox="873 802 1079 827"> <p data-bbox="922 802 1079 827">Rebook Errors</p> <p data-bbox="922 858 1360 942">This metric displays the number of manual rebook errors. Click this metric to refine the dashboard data.</p> <li data-bbox="873 987 1166 1012"> <p data-bbox="922 987 1166 1012">Average Rebook Days</p> <p data-bbox="922 1043 1360 1163">This metric displays the average duration from beginning to completion and activation of the rebook process. Click this metric to refine the dashboard data.</p> <li data-bbox="873 1207 1239 1232"> <p data-bbox="922 1207 1239 1232">Average Number of Rebooks</p> <p data-bbox="922 1264 1352 1446">This metric displays the average number of re-books, calculated as the total number of re-booked contracts divided by the total number of active contracts. Click this metric to refine the dashboard data.</p>

Component	Description
Automatic Rebook (tabbed component)	<p>The Automatic Rebooks summary bar displays the following metrics:</p> <ul style="list-style-type: none"> Partial Termination Errors <p>This metric displays the number of rebook errors while processing partial terminations.</p> Principal Paydown Errors <p>This metric displays the number of errors while processing principal paydown.</p> Other Errors <p>This metric displays the number of all other errors that are not included in the above metrics. This may include mass , residual value write-down, re-amortization, asset relocation, and partial transfer and assumption.</p> <p>Click any of the above metrics to refine the dashboard data.</p>
Rebook (charts)	<p>The Manual Rebook chart displays the percentages of contract manual re-books by reason. You can click a Revision Reason and value within the chart to refine the dashboard data.</p> <p>The Manual Rebooks in Progress chart displays the percentages of contract manual re-books in progress. This chart displays the revision contract statuses that include Complete, Incomplete, Passed, Pending Approval, and Approved. You can click a Revision Contract Status and value within the chart to refine the dashboard data.</p> <p>Click the Options icon to export both charts as an image, or in a Comma-Separated Values (CSV) file format.</p>

Component	Description
Contract Summary (tab)	<p>The Contract Summary table displays attributes for all active contracts (booked and evergreen).</p> <p>Click the Revise Contract action link to navigate to the Revise Contract page where you can update contract details and begin the process for the selected contract.</p> <p>Click the View Net Investment drawer link to view contract and asset net investment information for the selected contract.</p> <p>Click the Timeline View icon icon to view contracts from the table in a time line (chronological) format.</p>
Rebooks in Progress (tab)	<p>The Rebooks in Progress table displays attributes for all contracts in the process of re-booking.</p> <p>Click the View Rebook action link to navigate to the Revise Contract page where you can view and update contract details for the selected contract.</p>
Rebook Errors (tab)	<p>The Rebook Errors table displays attributes for all contracts undergoing revision that receive errors.</p> <p>Click the View Contract action link to navigate to the Revise Contract page where you can view error details, make corrections, and complete the process for the selected contract. Errors include pricing errors, QA validation errors, and booking errors.</p>

Component	Description
Contract Version (tab)	<p>The Contract Version table displays attributes for all versions of the contracts. From the drop-down list, you can select views to display details by:</p> <ul style="list-style-type: none"> • Contract Version • General • Yields <p>Click the View Net Investment drawer link to view and compare details for Net Investment, Asset Net Investment, and Operations for all versions of the selected contract.</p>
Revision History (tab)	<p>The Revision History table displays attributes for all versions of the contract that include the before, after, and latest versions.</p> <p>Click the Before Revision, After Revision, and Latest Report drawer links to view revision history details for the selected contract.</p> <p>Click the Timeline View icon icon to view contract revisions from the table in a time line (chronological) format.</p>
Assets (tab)	<p>The Assets table displays asset related attributes. From the drop-down list, you can select views to display details by:</p> <ul style="list-style-type: none"> • Asset Information • General • Financials • Depreciation <p>Click the View Asset Net Investment drawer link to view asset net investment and related information for the selected contract.</p>

Component	Description
Fees (tab)	The Fees table displays attributes pertaining to contract fees.
Services (tab)	The Services table displays attributes pertaining to contract service information.
Streams Summary (tab)	The Streams Summary table displays attributes pertaining to contracts stream summary information.
Payments (tab)	<p>The Payments table displays attributes pertaining to contract payment information. From the drop-down list, you can select views to display details by:</p> <ul style="list-style-type: none"> • Payments • Others

Lease Cash Flow Command Center

The **Lease Cash Flow Command Center** collects, organizes and displays receipts, credit memos, and invoice information to help users prioritize and execute cash application tasks that include the following:

- Prioritize unapplied transactions requiring actions
- Correlate and match remittances with open item information
- Apply open receipts against open invoices

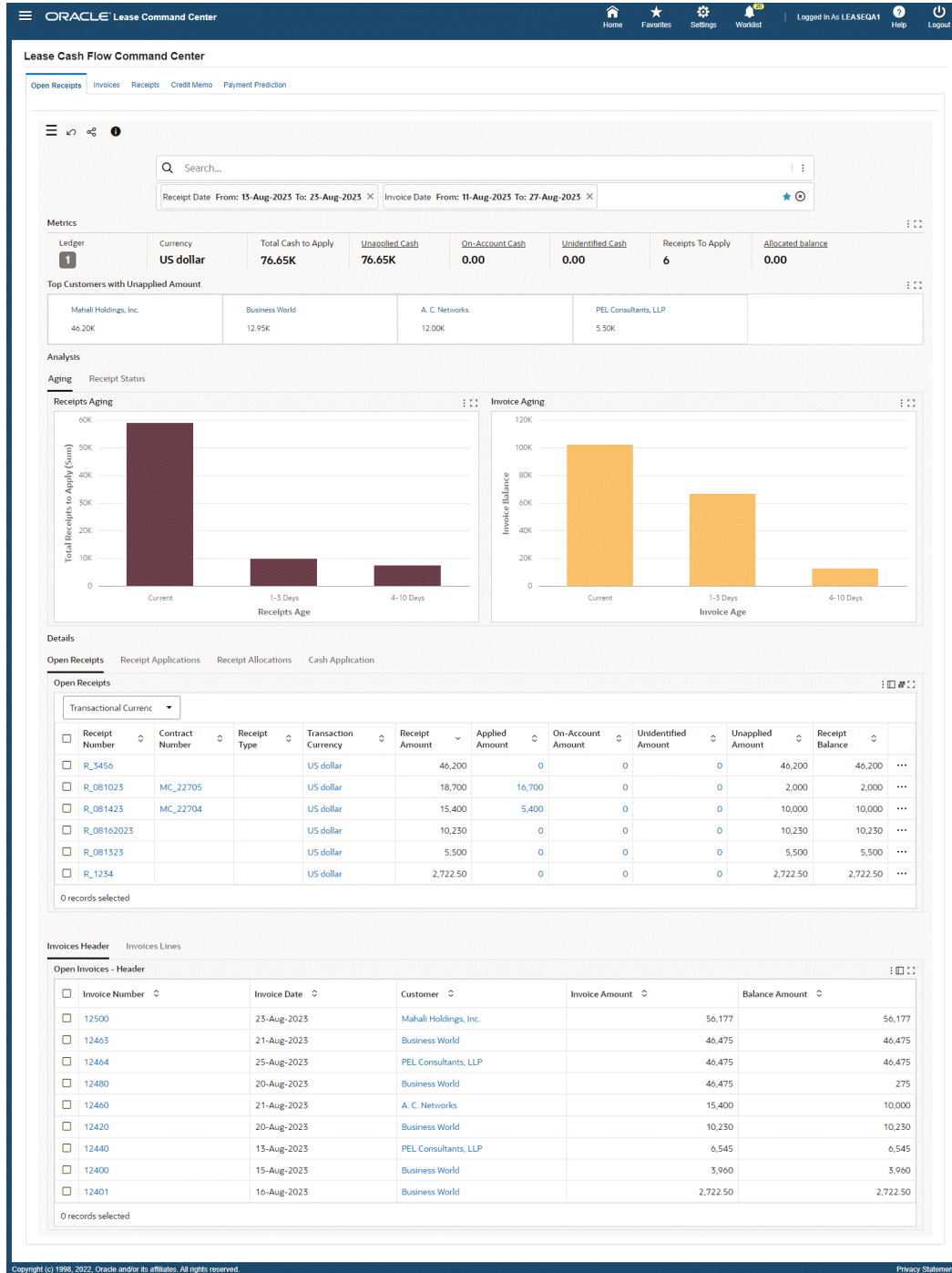
Open Receipts Dashboard

The **Open Receipts** dashboard provides information to manage cash receipts and invoices with the purpose of applying cash.

To navigate to the **Open Receipts** dashboard:

(N) Lease Super User > Lease Command Center > Cash Management > Open Receipts [tab]

Open Receipts Dashboard



The **Cash Application** tab in the **Details** section displays side-by-side charts that enable you to apply an open receipt against related open invoices. Open **Receipts** display in the left chart where you can select a single receipt. A list of **Invoice Lines** with open balances displays in the right chart and you can select multiple invoices. In the **Receipts** chart, you can click the **Record Details** drawer icon for a receipt to view the selected receipt details. In the **Invoice Lines** chart, you can click the **Record Details** drawer icon

for an invoice line to view the selected invoice line details.

Details, Cash Application (tab)

Details

Open Receipts Receipt Applications Receipt Allocations **Cash Application**

Results Grid

Apply

Receipts

☒

Receipt Number : R_3456

Receipt Date : 23-Aug-2023

Receipt Amount : 46,200

Transaction Currency : US dollar

Unapplied Amount : 46,200

On-Account Amount : 0

Customer : Mahall Holdings, Inc.

Account Number : 2078

Applied Amount : 0

1 records selected Clear Selection

Invoice Lines

☐

Invoice Number

Due Date

Stream Type

Currency

Line Balance

12500

23-Aug-2023

SERVICE AND MAINTENANCE

US dollar

4,455

☐

12500

23-Aug-2023

SERVICE AND MAINTENANCE

US dollar

5,522

☒

12500

23-Aug-2023

RENT

US dollar

21,527

☒

12500

23-Aug-2023

RENT

US dollar

12,397

☒

12500

23-Aug-2023

RENT

US dollar

12,276

3 records selected Line Balance Sum: 46,200 | Average: 15,400 Clear Selection

The following table describes the **Open Receipts** dashboard components:

Component	Description
Metrics (summary bar)	<p data-bbox="873 310 1284 369">The Metrics summary bar displays the following metrics:</p> <ul style="list-style-type: none"> <li data-bbox="878 396 1365 512"> <p data-bbox="922 396 1000 424">Ledger</p> <p data-bbox="922 451 1344 512">This metric displays the Ledger selected by the user.</p> <li data-bbox="878 552 1357 667"> <p data-bbox="922 552 1024 579">Currency</p> <p data-bbox="922 606 1357 667">This metric displays the selected contract currency.</p> <li data-bbox="878 707 1349 888"> <p data-bbox="922 707 1143 735">Total Cash to Apply</p> <p data-bbox="922 762 1349 888">This metric displays the total unidentified, unapplied, and on-account amounts in all receipts for the selected operating unit and ledger.</p> <li data-bbox="878 928 1341 1073"> <p data-bbox="922 928 1101 955">Unapplied Cash</p> <p data-bbox="922 982 1341 1073">This metric displays the total unapplied amounts in all receipts for the selected operating unit and ledger.</p> <li data-bbox="878 1113 1352 1260"> <p data-bbox="922 1113 1117 1140">On-Account Cash</p> <p data-bbox="922 1167 1352 1260">This metric displays the total on-account amounts in all receipts for the selected operating unit and ledger.</p> <li data-bbox="878 1299 1365 1446"> <p data-bbox="922 1299 1127 1327">Unidentified Cash</p> <p data-bbox="922 1354 1365 1446">This metric displays the total unidentified receipt amounts for the selected operating unit and ledger.</p> <li data-bbox="878 1486 1349 1633"> <p data-bbox="922 1486 1117 1514">Receipts to Apply</p> <p data-bbox="922 1541 1349 1633">This metric displays the number of receipts that are not fully applied. These receipts need to be applied.</p> <li data-bbox="878 1673 1365 1789"> <p data-bbox="922 1673 1118 1701">Allocated Balance</p> <p data-bbox="922 1728 1365 1789">This metric displays the total allocated balance amount for the selected operating</p>

Component	Description
	<p>unit and ledger. Allocated balance is the original amount that was allocated for future pay minus any applied receipts that reduces the allocation.</p> <p>To refine the dashboard data, click a metrics link.</p>
Top Customers with Unapplied Amount (top N feature)	The Top Customers with Unapplied Amount top N feature displays the top customer accounts that have the largest open receipt balances. It displays customer receipts that have not been applied by the largest customer accounts of the receipt amounts not applied.
Analysis (tabbed component) Aging (tab)	<p>The Receipts Aging chart displays receipt aging for receipt amounts yet to apply (On Account, Unapplied, Unidentified) based on aging categories where age is defined as the number of days between the receipt date and the system date.</p> <p>The Invoice Aging chart displays invoice aging for open invoice due amounts based on aging categories where age is defined as the number of days between the invoice date and the system date.</p>
Analysis (tabbed component) Receipt Status (tab)	The Receipt Status chart displays open receipts and amounts for Unapplied, On Account, Unidentified, Applied, and Allocated Balance amounts statuses by date.

Component	Description
Details (tabbed component) Open Receipts (tab)	<p>The Open Receipts table displays attributes pertaining to open receipts detail. Click the Options icon to Export the data set.</p> <p>Note: You can click the following action links to perform the following:</p> <ul style="list-style-type: none"> • Update Receipt - Click this link to navigate to the Receipts page where you can update a receipt and associate invoice(s). • Invoice History - Click this link to navigate to the Invoices Dashboard to view invoice history information. • Diagram - Click this link to navigate to the Cash Application Diagram page. This network diagram provides the ability to explore relationships between open receipts (Applied, Unapplied, On-Account). <p>You can also click the Timeline View option icon to view open receipts from the table in a timeline (chronological) format. Each event node displays the Receipt Number in the title and also displays the Customer, Receipt Balance, and Receipt Date.</p>
Details (tabbed component) Receipt Applications (tab)	<p>The Receipt Applications table displays attributes pertaining to receipts applications and receipts applications detail. Click the Options icon to Export the data set.</p>
Details (tabbed component) Receipt Allocations (tab)	<p>The Receipt Allocations table displays attributes pertaining to receipt allocations. Click the Options icon to Export the data set.</p>

Component	Description
Details (tabbed component) Cash Application (tab)	<p>The Cash Application tab displays side-by-side charts that enable you to apply an open receipt against related open invoices. Open Receipts display in the left chart where you can select a single receipt. A list of Invoice Lines with open balances displays in the right chart and you can select multiple invoices. In the Receipts chart, you can click the Record Details drawer icon for a receipt to view the selected receipt details. In the Invoice Lines chart, you can click the Record Details drawer icon for an invoice line to view the selected invoice line details.</p> <p>After selecting a receipt and invoice, click the Apply button to view a summary of the selected open invoices. Enter the total Amount To Apply. It must not exceed the total remaining balance of the invoice.</p> <p>Click Submit to apply the receipt against the open invoices. A Receipt Applied Successfully confirmation displays.</p>
Invoices Header (tab)	<p>The Open Invoices - Header table displays attributes pertaining to basic invoice header information. Click the Options icon to Export the data set.</p>
Invoices Lines (tab)	<p>The Open Invoices - Lines table displays attributes pertaining to invoice line details. Click the Options icon to Export the data set.</p>

Component	Description
Lease Cash Flow Command Center: Cash Application Diagram	<p data-bbox="873 310 1344 596">The Cash Application Diagram (track and trace) enables the user to traverse along the diagram and view receipts with their corresponding applied, unapplied, or on-account amounts. The diagram displays the related customer and customer account, contracts, invoices, and invoice lines for that receipt. The diagram improves cash throughput for leasing and enables you to:</p> <ul data-bbox="878 621 1292 785" style="list-style-type: none"> • Accelerate application of contract unapplied cash • Manage invoices to ensure on-time payments <p data-bbox="873 825 1344 884">The Cash Application Diagram displays the following nodes:</p> <ul data-bbox="878 909 1333 1724" style="list-style-type: none"> • Receipt Number <p data-bbox="938 972 1333 1161">Note: Receipt Nodes include an Update Receipt action. When you right click the Receipt Node and click Update Receipt, the application navigates to the Receipts page where you can:</p> <ul data-bbox="943 1186 1268 1388" style="list-style-type: none"> • Apply Receipt • Un-apply Receipt • Capture Intent (Reason for Manual Application) • Customer and Customer Account • Contract • Invoice • Invoice Lines

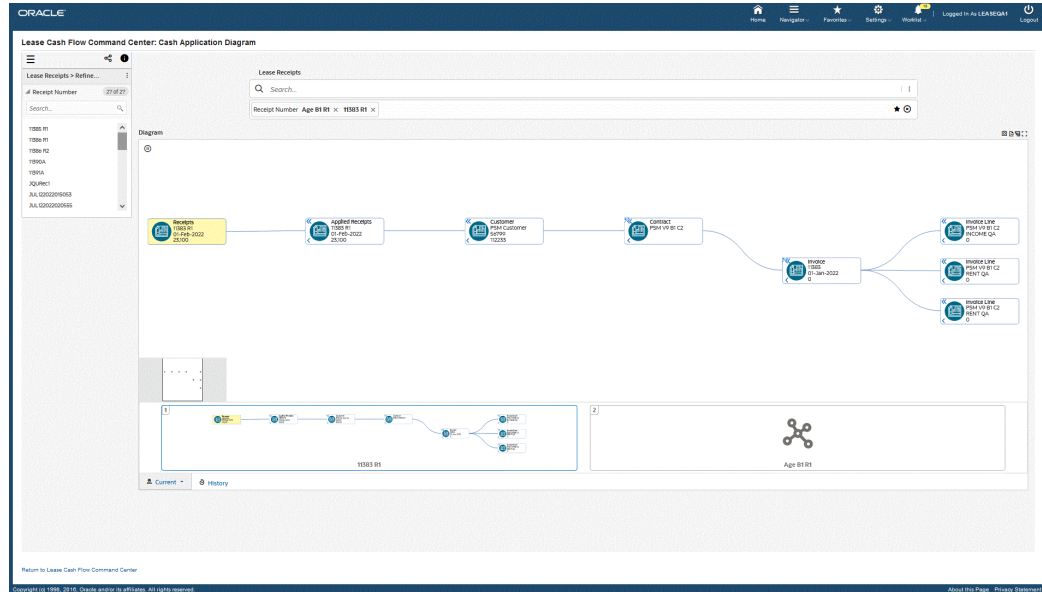
Component	Description
	<ul style="list-style-type: none"> • Customer Reference <p>You can right click each of the nodes in the diagram and select the following actions for the selected records:</p> <ul style="list-style-type: none"> • Make Anchor Node - sets the selected entity as the primary display node with adjacent nodes only. • Show Adjacent Nodes - narrows the viewer to adjacent nodes only. • Show Details - the selected record details dialog box appears with detail information. • Compare - select (Ctrl + click) two or more records to compare record details. The Compare dialog box appears. • Explore Node - updates the display to include only the selected node and adjacent (connected) nodes. • Highlight Path - highlights the complete path for a clear visual. • Unhighlight Path - turns off the highlight view of the selected node. <p>Additional actions include:</p> <ul style="list-style-type: none"> • Export to Image - export the network diagram as a svg or png image file. • Export to CSV - export the network diagram in a Comma-Separated Values (CSV) file format. • Export to PDF - export the full network diagram in pdf format. • Row Expander - converts the network view diagram to text format with action

Component

Description

icons that display details within a dialog box.

Lease Cash Flow Command Center: Cash Application Diagram



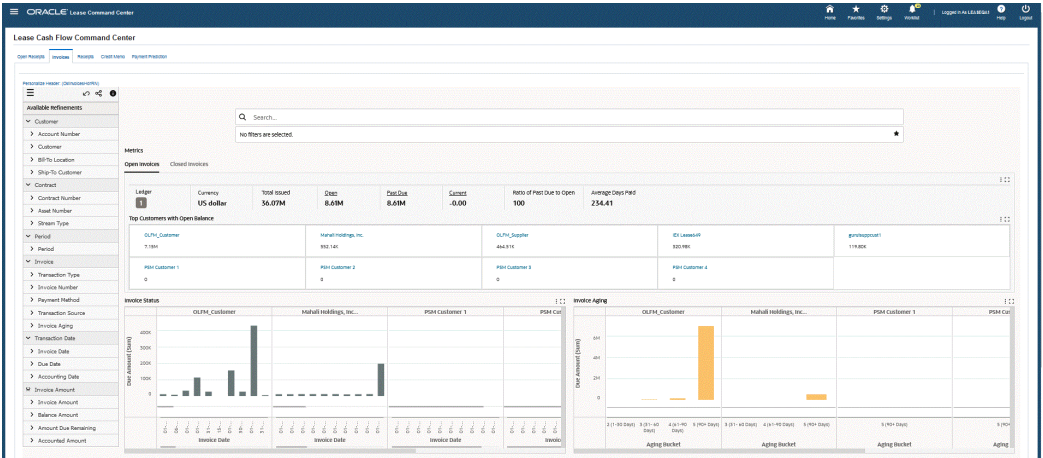
Invoices Dashboard

The **Invoices** dashboard provides information to manage invoices with the purpose of ensuring timely cash and credit memo application.

To navigate to the **Invoices** dashboard:

(N) Lease Super User > Lease Command Center > Cash Management > Invoices [tab]

Invoices Dashboard



Invoice Details

Invoice Lines Customer Reference

Invoice

Transactional Currencies

Invoice Number	Transaction Type	Invoice Date	Due Date	Account Number	Customer	Transaction Currency	Balance Amount	Adjusted Amount	Applied Transaction Amount	Invoice Amount	Credited Amount	Closed Date	Days to Close
12345	Invoice-OL	01-Aug-2023	01-Aug-2023	9657	OLPL Customer	US-dollar	11,000	0	0	11,000	0		---
12652	Invoice-OL	06-Jun-2023	06-Jun-2023	9657	OLPL Customer	US-dollar	7,700	0	0	7,700	0		---
12853	Invoice-OL	01-Jun-2023	01-Jun-2023	9657	OLPL Customer	US-dollar	22,000	0	0	22,000	0		---
13280	Invoice-OL	01-Jun-2023	01-Jun-2023	9657	OLPL Customer	US-dollar	11,000	0	0	11,000	0		---
97	Invoice-OL	01-Jun-2023	01-Jun-2023	2076	Hahall Holdings, Inc.	US-dollar	0	0	6,500	6,500	0	17-Jun-2023	16
98	Invoice-OL	01-Jun-2023	01-Jun-2023	2076	Hahall Holdings, Inc.	US-dollar	0	0	5,500	5,500	0	17-Jun-2023	16
99	Invoice-OL	01-Jun-2023	01-Jun-2023	2076	Hahall Holdings, Inc.	US-dollar	0	0	1,100	1,100	0	17-Jun-2023	16
12721	Invoice-OL	01-Jun-2023	01-Jun-2023	2076	Hahall Holdings, Inc.	US-dollar	10,851.66	0	1,268.34	12,100	0		---
13040	Invoice-OL	01-Jun-2023	01-Jun-2023	9657	OLPL Customer	US-dollar	12,319.98	0	0	12,319.98	0		---
12840	Invoice-OL	01-Jun-2023	01-Jun-2023	9657	OLPL Customer	US-dollar	22,000	0	0	22,000	0		---
13120	Invoice-OL	01-Jun-2023	01-Jun-2023	9657	OLPL Customer	US-dollar	12,319.98	0	0	12,319.98	0		---
171	Invoice-OL	01-Jun-2023	01-Jun-2023	9657	OLPL Customer	US-dollar	10,850.00	0	0	10,850.00	0		---

0 records selected

Invoice Applications

Invoice Number	Receipt Number	Line Applied	Tax Applied	Line Balance	Tax Balance	Line Number	Application Date	Currency	GL Date	Stream Type
97	gldr	592.08	59.81	0	0	1	16-Jun-2023	US-dollar	16-Jun-2023	REVNT QA
97	gldr	11.96	1.20	0	0	1	17-Jun-2023	US-dollar	17-Jun-2023	REVNT QA
97	gldr	4,389.96	488.99	0	0	1	17-Jun-2023	US-dollar	17-Jun-2023	REVNT QA
96	gldr	11.96	1.20	0	0	1	17-Jun-2023	US-dollar	17-Jun-2023	REVNT QA
96	gldr	592.08	59.81	0	0	1	16-Jun-2023	US-dollar	16-Jun-2023	REVNT QA
96	gldr	4,389.96	488.99	0	0	1	17-Jun-2023	US-dollar	17-Jun-2023	REVNT QA
96	gldr	1,000	100	0	0	1	17-Jun-2023	US-dollar	17-Jun-2023	REVNT QA
94	gldr	592.08	59.81	0	0	1	16-Jun-2023	US-dollar	16-Jun-2023	REVNT QA
94	gldr	11.96	1.20	0	0	1	17-Jun-2023	US-dollar	17-Jun-2023	REVNT QA
94	gldr	4,389.96	488.99	0	0	1	17-Jun-2023	US-dollar	17-Jun-2023	REVNT QA
93	gldr	592.08	59.81	0	0	1	16-Jun-2023	US-dollar	16-Jun-2023	REVNT QA
93	gldr	11.96	1.20	0	0	1	17-Jun-2023	US-dollar	17-Jun-2023	REVNT QA

0 records selected

The following table describes the **Invoices** dashboard components:

Component	Description
Metrics (tabbed component) Open Invoices (tab)	<p>The Metrics summary bar displays the following metrics:</p> <ul style="list-style-type: none"> Ledger This metric displays the Ledger selected by the user. Currency This metric displays the selected contract currency. Total Issued This metric displays total invoice (original) amount issued in the selected period. Open This metric displays the total open balance amounts from Total Issued. Past Due This metric displays the total of past due amounts in Total Issued invoices. Current This metric displays the total of current amounts in Total Issued. Ratio of Past Due Amount This metric displays the past due amount as a percentage of open amount. Average Days Paid This metric displays the invoice date closed minus the invoice due date / number of invoices.

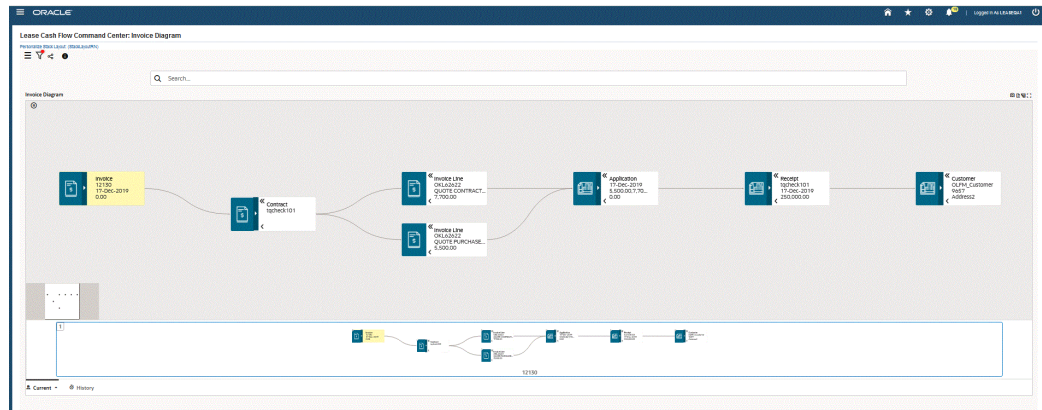
Component	Description
Metrics (tabbed component) Closed Invoices (tab)	<p>The Metrics summary bar displays the following metrics:</p> <ul style="list-style-type: none"> Ledger This metric displays the Ledger selected by the user. Currency This metric displays the selected contract currency. Total Closed This metric displays total invoice (original) closed amount for the selected period. Paid This metric displays the total of paid amounts in Total Issued. Credited This metric displays the total of credited amounts in Total Issued. Adjustments This metric displays the total adjusted amounts in Total Issued.
Top Customers with Open Balance (top N feature)	<p>The Top Customers with Open Balance top N feature displays the top customer accounts that have the largest open invoice balances. It displays the largest customer accounts with open invoice balances.</p>

Component	Description
Charts	<p>The Invoice Status chart displays total invoice amounts for Due Amount, Applied Amount, Credited Amount, and Adjusted Amount by Transaction Date (days).</p> <p>The Invoice Aging chart displays invoice aging for open invoice Due Amounts based on aging categories where age is defined as number of days between the invoice date and the system date.</p>
Invoice Details (tabbed component)	<p>The Invoices table displays attributes pertaining to invoices for Transactional Currency or Functional Currency. Click the Options icon to Export the data set.</p> <p>Note: You can click the View Invoice drawer icon to view the invoice for the selected record. From this drawer view, you can print and download the invoice.</p> <p>You can click the Diagram option icon to view the Invoice Diagram. This network diagram provides the ability to explore relationships between invoice, invoice lines, contracts, cash applications, receipts, customer references, and customer accounts.</p>
Invoices (tab)	
Invoice Details (tabbed component)	<p>The Invoice Lines table displays attributes pertaining to invoice line details. Click the Options icon to Export the data set.</p>
Invoice Lines (tab)	
Invoice Details (tabbed component)	<p>The Customer Reference table displays attributes pertaining to customer invoice details. Click the Options icon to Export the data set.</p>
Customer Reference (tab)	
Invoice Applications (table)	<p>The Invoice Applications table displays attributes pertaining to invoice application details. Click the Options icon to Export the data set.</p>

Component	Description
Lease Cash Flow Command Center: Invoice Diagram	<p>The Invoice Diagram (track and trace) enables the user to traverse along the diagram and view invoices with their corresponding invoice lines, contracts, applications, receipts, and customer.</p> <p>The Invoice Diagram displays the following nodes:</p> <ul style="list-style-type: none"> • Invoice • Contract • Invoice Line • Application • Receipt • Customer <p>You can right click each of the nodes in the diagram and select the following actions for the selected records:</p> <ul style="list-style-type: none"> • Make Anchor Node - sets the selected entity as the primary display node with adjacent nodes only. • Show Adjacent Nodes - narrows the viewer to adjacent nodes only. • Show Details - the selected record details dialog box appears with detail information. • Compare - select (Ctrl + click) two or more records to compare record details. The Compare dialog box appears. • Explore Invoice Node - updates the display to include only the selected node and adjacent (connected) nodes. • Highlight Path - highlights the complete

Component	Description
	<p>path for a clear visual.</p> <ul style="list-style-type: none"> • Unhighlight Path - turns off the highlight view of the selected node. <p>Additional actions include:</p> <ul style="list-style-type: none"> • Export to Image - export the network diagram as a svg or png image file. • Export to CSV - export the network diagram in a Comma-Separated Values (CSV) file format. • Export to PDF - export the full network diagram in pdf format. • Row Expander - converts the network view diagram to text format with action icons that display details within a dialog box.

Invoice Diagram



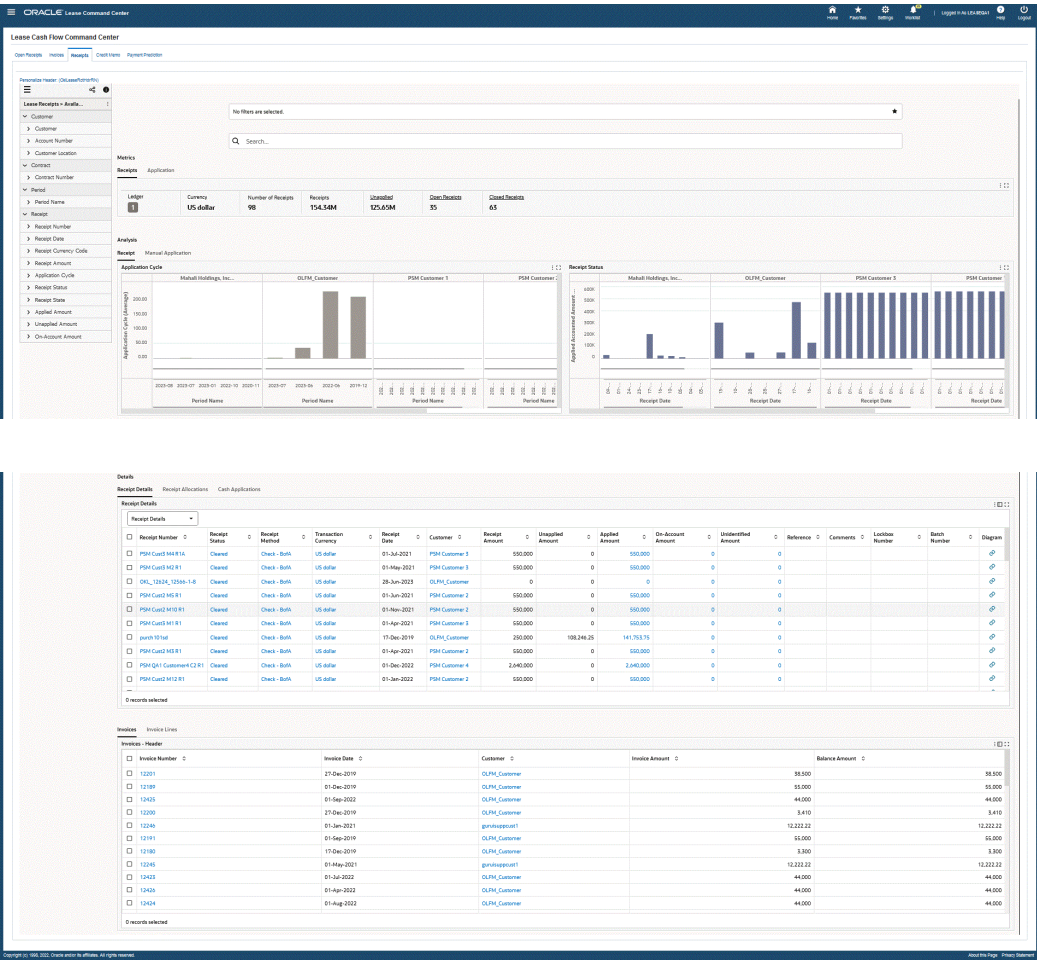
Receipts Dashboard

The **Receipts** dashboard provides information to manage cash receipts and invoices with the purpose of applying cash.

To navigate to the **Receipts** dashboard:

(N) Lease Super User > Lease Command Center > Cash Management > Receipts [tab]

Receipts Dashboard



The following table describes the **Receipts** dashboard components:

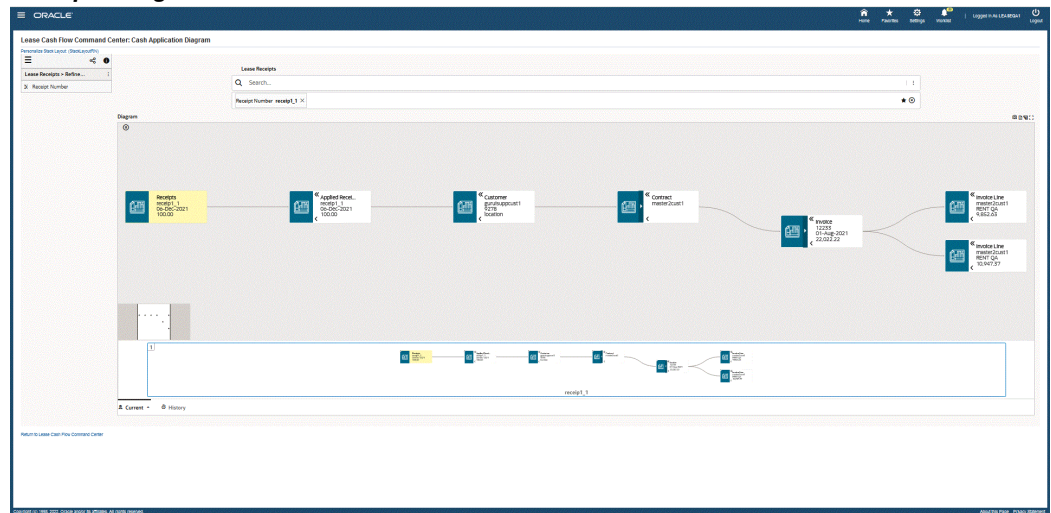
Component	Description
Metrics (tabbed component) Receipts (tab)	<p>The Metrics summary bar displays the following metrics:</p> <ul style="list-style-type: none"> Ledger This metric displays the Ledger selected by the user. Currency This metric displays the selected contract currency. Number of Receipts This metric displays the number of receipts for the selected operational unit and ledger. Receipts This metric displays the total amount of receipts for the selected operational unit and ledger. Unapplied This metric displays the total unapplied amounts of all receipts for the selected operating unit and ledger. Open Receipts This metric displays the number of receipts with unidentified, unapplied, or on-account amounts for the selected operating unit and ledger. Closed Receipts This metric displays the number of closed receipts for the selected operating unit and ledger.

Component	Description
Metrics (tabbed component) Application (tab)	<p>The Component Title summary bar displays the following metrics:</p> <ul style="list-style-type: none"> On Account <p>This metric displays the total on-account amounts of all receipts for the selected operating unit and ledger.</p> Applied <p>This metric displays the total applied amounts of all receipts for the selected operating unit and ledger.</p> Allocated <p>This metric displays the total allocated balances of selected receipts. Allocated balance is the original amount that was allocated for future pay less any applications reducing the allocation.</p> Reversed <p>This metric displays the total amount of reversed receipts for the selected operating unit and ledger.</p> Unidentified <p>This metric displays the total amount of unidentified receipts for the selected operating unit and ledger.</p> Average Application Cycle <p>This metric displays the average number of days from cash receipt date to receipt application date of receipt, for closed receipts, that resulted in a zero (0) receipt balance.</p> Percent Receipt Applied <p>This metric displays the percentage of the receipt applied to the total receipt</p>

Component	Description
	amount.
Analysis (tabbed component) Receipt (tab)	<p>The Application Cycle chart displays the average number of days from receipt date to full application for receipts that are fully applied. Click on a Period Name in the chart to refine the data for that period.</p> <p>The Receipt Status chart displays amounts that are Unapplied, On Account, Unidentified, Applied, and Allocated Balance for all receipts statuses by date. Click on a period name in the chart to refine the data for that period.</p>
Analysis (tabbed component) Manual Application (tab)	<p>The Manual Application pie chart displays the reason for manual application and the total applied amount.</p>
Details (tabbed component) Receipt Details (tab)	<p>The Receipt Details table displays attributes pertaining to Receipts Detail information. You can click column values to filter and refine data. Click the Options icon to Export the data set.</p> <p>Note: You can click the Diagram action link to navigate to the Cash Application Diagram page. This network diagram provides the ability to explore relationships between receipt, customer and customer account, contracts, invoice, invoice lines, and customer reference.</p>
Details (tabbed component) Receipt Allocations (tab)	<p>The Receipt Allocations table displays attributes pertaining to Receipt Allocations information. You can click column values to filter and refine data. Click the Options icon to Export the data set.</p>
Details (tabbed component) Cash Applications (tab)	<p>The Cash Application table displays attributes pertaining to Receipt Applications and Receipt Application Details. You can click column values to filter and refine data. Click the Options icon to Export the data set.</p>

Component	Description
Invoices (tab)	The Invoices - Header table displays attributes pertaining to Invoice Header information. You can click column values to filter and refine data. Click the Options icon to Export the data set.
Invoice Lines (tab)	The Invoice Lines results tables displays attributes pertaining to Invoice Line information. You can click column values to filter and refine data. Click the Options icon to Export the data set.

Receipts Diagram



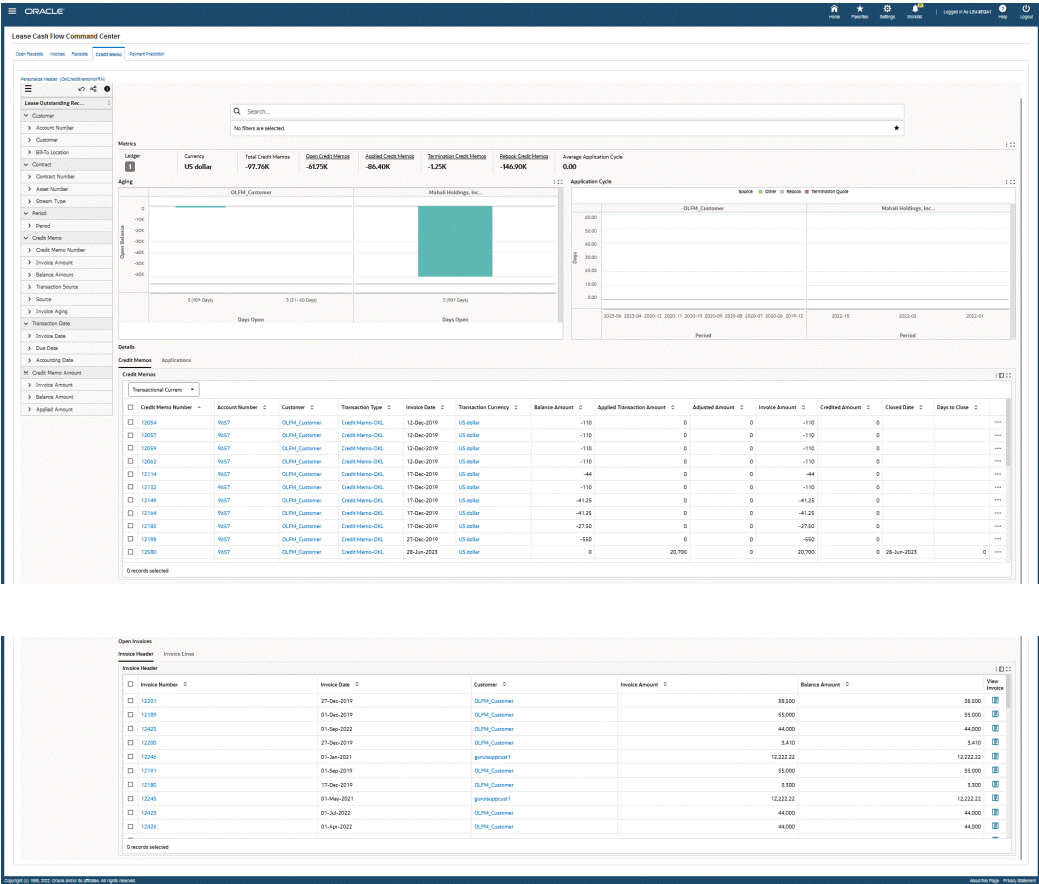
Credit Memo Dashboard

The **Credit Memo** dashboard provides information to manage invoices with the purpose of ensuring timely cash and credit memo application.

To navigate to the **Credit Memo** dashboard:

(N) Lease Super User > Lease Command Center > Cash Management > Credit Memo [tab]

Credit Memo Dashboard



Component	Description
Metrics	<p data-bbox="971 306 1382 369">The Metrics summary bar displays the following metrics:</p> <ul style="list-style-type: none"> <li data-bbox="971 394 1463 510"> <p data-bbox="1016 394 1094 426">Ledger</p> <p data-bbox="1016 449 1442 510">This metric displays the Ledger selected by the user.</p> <li data-bbox="971 548 1463 663"> <p data-bbox="1016 548 1118 579">Currency</p> <p data-bbox="1016 602 1455 663">This metric displays the selected contract currency.</p> <li data-bbox="971 701 1463 819"> <p data-bbox="1016 701 1235 732">Total Credit Memos</p> <p data-bbox="1016 756 1463 819">This metric displays the total credit memo amount issued in the selected period.</p> <li data-bbox="971 856 1390 1005"> <p data-bbox="1016 856 1240 888">Open Credit Memos</p> <p data-bbox="1016 911 1390 1005">This metric displays the total open balance amounts from Total Credit Memos.</p> <li data-bbox="971 1043 1463 1192"> <p data-bbox="1016 1043 1268 1075">Applied Credit Memos</p> <p data-bbox="1016 1098 1463 1192">This metric displays the total applied amounts from Total Credit Memos for the selected operating unit and ledger.</p> <li data-bbox="971 1230 1442 1348"> <p data-bbox="1016 1230 1317 1262">Termination Credit Memos</p> <p data-bbox="1016 1285 1442 1348">This metric displays the total amount of termination credit memos.</p> <li data-bbox="971 1386 1442 1503"> <p data-bbox="1016 1386 1263 1417">Rebook Credit Memos</p> <p data-bbox="1016 1440 1442 1503">This metric displays the total amount of credit memos (online and mass rebook).</p> <li data-bbox="971 1541 1455 1753"> <p data-bbox="1016 1541 1312 1572">Average Application Cycle</p> <p data-bbox="1016 1596 1455 1753">This metric displays the average number of days from credit memo creation to full application. This applies to credit memos that are 100 percent applied as of the system date.</p>

Component	Description
Charts	<p>The Aging chart displays open credit memo balances by age. This chart displays aging categories where age is defined as the number of days between the credit memo date and the system date. This chart displays credit memo categories of Rebook (online and mass rebook), Termination Quote, and Other (all others).</p> <p>The Application Cycle chart displays credit memos that are fully applied. This chart displays the average number of days from receipt date to full application. This chart displays credit memo categories of Rebook (online and mass rebook), Termination Quote, and Other (all others).</p>
Details (tabbed component)	
Credit Memos (tab)	<p>The Credit Memos table displays attributes pertaining to credit memo details. From the drop-down menu, you can view details for Transactional Currency, Functional Currency, and Transaction Information. You can click column values to filter and refine data. Click the Options icon to Export the data set.</p> <p>Note: You can click the following action links to perform the following:</p> <ul style="list-style-type: none"> • Invoice History - Click this action link to display invoices for the customer account in the Invoices dashboard. • View Credit Memo - Click this drawer icon to view the Credit Memo for the selected record. From this drawer view you can print and download the credit memo.
Details (tabbed component)	
Applications (tab)	<p>The Applications table displays line level attributes pertaining to credit memo application information. You can click column values to filter and refine application information. Click the Options icon to Export the data set.</p>

Component	Description
Open Invoices (tabbed component) Invoice Header (tab)	<p>The Invoice Header table displays attributes pertaining to invoice header information. You can click column values to filter and refine invoice header information. Click the Options icon to Export the data set.</p> <p>Note: Click the View Invoice drawer icon to view the invoice for the selected invoice number. From this drawer view you can print and download the invoice.</p>
Open Invoices (tabbed component) Invoice Lines (tab)	<p>The Invoice Lines table displays attributes pertaining to invoice lines. You can click column values to filter and refine invoice header information. Click the Options icon to Export the data set.</p>

Payment Prediction Dashboard

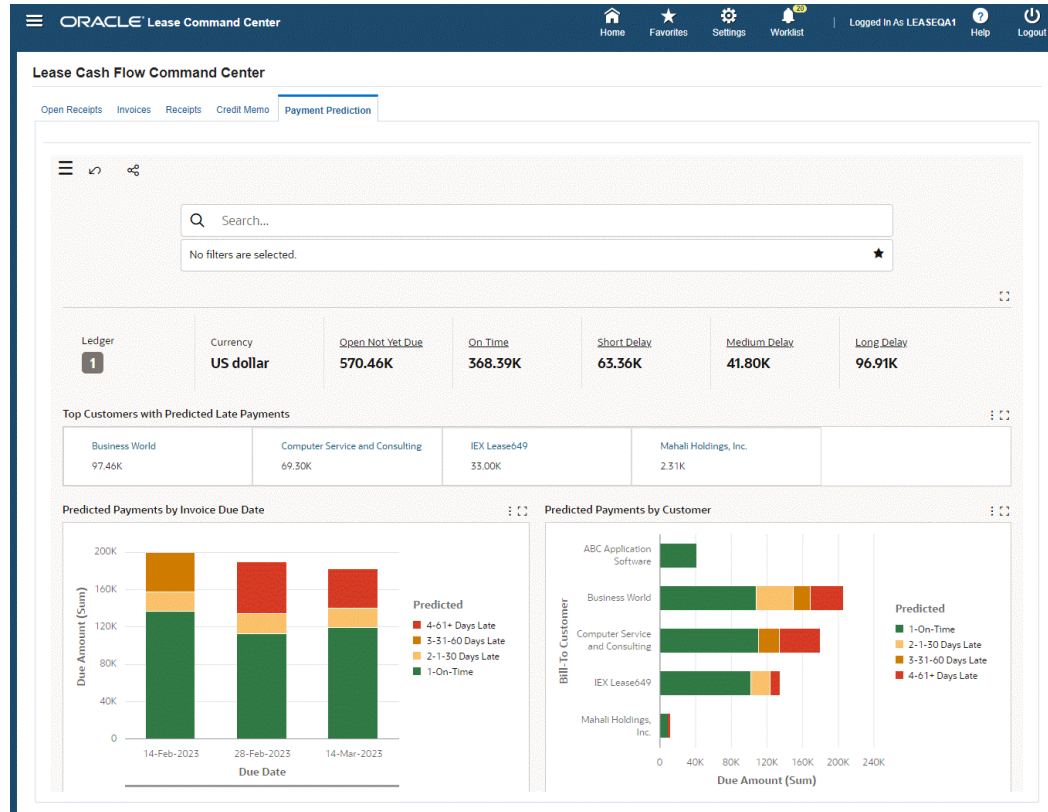
The **Payment Prediction** dashboard helps organizations predict when a customer invoice will be paid enabling them to create collections strategies that help increase the likelihood that they will be paid on time. Customer payment predictions enable lessors to be more proactive with collections. They no longer have to wait for a transaction to become due to start the collections process and can use the payment predictions capability to determine whether proactive collections will improve on-time payments. The Payment Prediction dashboard uses Intelligent Collections Management and enables organizations to:

- Use a proactive collection strategy that starts as soon as invoices are sent.
- Monitor customer's historical behavior and apply AI/ML algorithms to predict payment outcomes well before due dates.
- Prioritize and customize customer collaboration by isolating at-risk from low-risk accounts based on predicted payment delays.
- Optimize contract and credit management for high-risk accounts based on predicted payment behavior by requiring pre-payments, payment commitments, generating contract restructure recommendations, etc.
- Improve accuracy of cash flow forecasts using prediction models.

To navigate to the **Payment Prediction** dashboard:

(N) Lease Super User > Lease Command Center > Cash Management > Payment Prediction [tab]

Payment Prediction Dashboard



Customer History

<input type="checkbox"/>	Account Number	Bill-To Customer	Open Invoices	Late Invoices	Invoices Paid On Time	Invoices Paid Late	Last Payment Date	Last Payment Amount	Credit Limit	Profile Class	Credit Class	Customer Category
<input type="checkbox"/>	1608	Business World	261,360	56,100	149,600	74,800	31-Dec-2022	18,700	5,000,000	Average	Moderate Risk	High Technology
<input type="checkbox"/>	1142	Computer Service and Consulting	248,600	69,300	23,100	254,100	31-Dec-2022	23,100	3,000,000	Poor	High Risk	Professional Services
<input type="checkbox"/>	8233	IEX Lease049	182,930	48,620	77,000	55,000	30-Nov-2022	11,000	10,000,000	Excellent	Low Risk	Health Sciences
<input type="checkbox"/>	2078	Mahali Holdings, Inc.	156,530	145,420	15,400	5,280	30-Sep-2022	5,280	2,000,000	Poor	High Risk	Financial Services

0 records selected

Page1 of 1(1-4 of 4 items)1

Invoice Details

InvoicesInvoice Lines

Invoice Details

<input type="checkbox"/>	Invoice Number	Due Date	Account Number	Bill-To Customer	Payment Method	Payment Term	Print Lead Days	Invoice Format	View Invoice
<input type="checkbox"/>	12306	28-Feb-2023	8233	IEX Lease049	EFT	IMMEDIATE	40	Monthly	
<input type="checkbox"/>	12322	28-Feb-2023	2078	Mahali Holdings, Inc.	Direct Debits No Confirm	IMMEDIATE	40	Monthly	
<input type="checkbox"/>	12366	28-Feb-2023	1142	Computer Service and Consulting	Check	IMMEDIATE	15	Monthly	
<input type="checkbox"/>	12369	28-Feb-2023	1608	Business World	Credit Card	IMMEDIATE	40	Monthly	
<input type="checkbox"/>	12382	14-Mar-2023	1142	Computer Service and Consulting	Check	IMMEDIATE	50	Monthly	
<input type="checkbox"/>	12385	14-Mar-2023	1608	Business World	Credit Card	IMMEDIATE	50	Monthly	

0 records selected

Page1 of 1(1-6 of 6 items)1

The following table describes the **Payment Prediction** dashboard components:

Component	Description
Metrics	<p data-bbox="873 310 1284 369">The Metrics summary bar displays the following metrics:</p> <ul style="list-style-type: none"> <li data-bbox="873 396 1365 512"> <p data-bbox="922 396 997 422">Ledger</p> <p data-bbox="922 453 1344 512">This metric displays the Ledger selected by the user.</p> <li data-bbox="873 552 1357 667"> <p data-bbox="922 552 1021 577">Currency</p> <p data-bbox="922 609 1357 667">This metric displays the selected contract currency.</p> <li data-bbox="873 707 1344 852"> <p data-bbox="922 707 1122 732">Open Not Yet Due</p> <p data-bbox="922 764 1344 852">This metric displays the total open balance amounts that are not yet due in the selected operational unit and ledger.</p> <li data-bbox="873 892 1333 1037"> <p data-bbox="922 892 1018 917">On Time</p> <p data-bbox="922 949 1333 1037">This metric displays the total invoice amounts predicted to be on-time in the selected operating unit and ledger.</p> <li data-bbox="873 1077 1349 1222"> <p data-bbox="922 1077 1052 1102">Short Delay</p> <p data-bbox="922 1134 1349 1222">This metric displays the total invoice amounts predicted to be a short delay in the selected operating unit and ledger.</p> <li data-bbox="873 1262 1365 1407"> <p data-bbox="922 1262 1086 1287">Medium Delay</p> <p data-bbox="922 1318 1365 1407">This metric displays the total invoice amounts predicted to be medium delay in the selected operating unit and ledger.</p> <li data-bbox="873 1446 1365 1591"> <p data-bbox="922 1446 1049 1472">Long Delay</p> <p data-bbox="922 1503 1365 1591">This metric displays the total invoice amounts predicted to be long delay in the selected operating unit and ledger.</p>
Tag Cloud	<p data-bbox="873 1661 1352 1782">The Top Customers with Predicted Late Payments tag cloud displays the largest offender first with corresponding amounts to be paid late.</p>

Component	Description
Charts	<p>The Predicted Payments by Invoice Due Date bar chart displays the total due amount of all invoices by invoice due date. The chart displays the amounts that are predicted to be on-time, short delay, medium delay, and long delay.</p>
	<p>The Predicted Payments by Customer bar chart displays the amounts that are predicted to be on-time, short delay, medium delay, and long delay for each customer.</p>
Customer History	<p>The Customer History table displays customer account and payment history details.</p>
	<p>Click the Options icon to Export the data set.</p>

Component	Description
Invoice Details (tabbed component)	<p>The Invoices table displays customer invoice details. You can click column values to filter and refine invoice header information. From the drop-down list, you can view invoice details by:</p> <ul style="list-style-type: none"> • Transactional Currency • Functional Currency • Invoice Details • Invoice Bill-To <p>Click the View Invoice drawer icon to view the invoice for the selected invoice number. From this drawer view you can print and download the invoice.</p> <p>Click the Options icon to Export the data set.</p> <p>The Invoice Lines table displays customer invoice line details. You can click column values to filter and refine invoice header information. From the drop-down list, you can view invoice line details by:</p> <ul style="list-style-type: none"> • Transactional Currency • Functional Currency • Line Details <p>You can click the following action links to perform the following:</p> <ul style="list-style-type: none"> • Change Billing Setup • Add Notes • Influencing Attributes - Click this action for a selected invoice to view prediction factors in the payment prediction dashboard. This enables you to determine factors that contributed to the prediction component. This action opens the
Invoices (tab)	
Invoice Lines (tab)	

Component	Description
	<p data-bbox="1016 304 1450 430">Payment Prediction Influencing Factors drawer and displays the top five influencing attributes from highest to lowest.</p> <p data-bbox="971 472 1450 510">Click the Options icon to Export the data set.</p>

Part 3

Lead to Opportunity

Origination

This chapter covers the following topics:

- Origination Overview
- Origination Business Process
- Vendor Origination
- Oracle Applications Origination Integration

Origination Overview

Oracle Lease and Finance Management Origination

Oracle Lease and Finance Management customer companies who invest in leasing type transactions require a transaction processing application that accommodates deals originating from a variety of sources. The source of origination depends on their business market strategy and corporate structure.

Captive companies, which lease and finance the products of a parent company, are generally owned or controlled in large part by an equipment manufacturer and focus primarily on financing the sales of that manufacturer. Independents, which may include banks, may engage in a wide variety of financing and a broad spectrum of equipment types. Direct sales are made by the manufacturers' sales reps and sold directly to the market, whereas indirect sales are made through one or more distribution channels.

Depending on the origination source and method of marketing, Oracle Lease and Finance Management provides different features and levels of control. As a general rule, the more external sources or partners that are involved in the origination process, the more controls that are required. Depending on the relative size and volume of transactions, companies require different levels of automation. Higher volume and smaller transaction size require more automation and efficiency.

The following table shows possible origination sources.

Origination Sources

Sale Type	Captive	Independent
Direct Sale	Lessor sales reps directly originate lease quotes	Independents rarely originate their own deals
	Lessor organization owned by manufacturer	May use brokers for larger ticket deals
Indirect Sale	Vendor sales reps originate lease quotes for lessor	Vendor sales reps originate lease quotes for lessor
	Vendors are usually dealers for the manufacturer	Lessor and vendor usually sign an operating agreement

Objectives

An origination system has the following key objectives.

1. To track opportunities for sales planning and management purposes
2. To price potential transactions for prospects
3. To insure potential transactions are profitable for the expected risk
4. To assist users in processing transactions prior to booking

To achieve these objectives, an origination system must support the activities of a variety of different users, including the following:

1. Sales representatives (both internal and external)
2. Sales support representatives
3. Sales managers
4. Pricing analysts and managers
5. Credit analysts and managers
6. Contract administrators and managers

Key Business Objects

The following table describes the key business objects in the Oracle Lease and Finance

Management origination process.

Business Object	Description
Quick Quote	A standalone quote for estimating pricing using existing pricing policies. Quick quotes require no prospect. You estimate pricing based on inventory categories.
Lease Opportunity	Provides a central object for you to associate multiple pricing estimates and lease quotes provided to a prospect or customer. You can only accept one Lease Quote for each Opportunity.
Estimate	A quick quote that is associated to a lease opportunity. You use estimates to get a quick pricing estimate using existing pricing policies. You estimate pricing based on inventory categories. You may create multiple estimates for a single lease opportunity.
Prospect Or Customer	A party created in Oracle Trading Community Architecture with a type of Prospect or Customer. You may associate addresses and, for customers, other account information.
Lease Quote	Created and managed in Oracle Lease and Finance Management as part of a lease opportunity for detailed pricing. You add specific inventory items, fees, services, taxes and other adjustments to model the most accurate estimate of payments and interest rates. You may create multiple lease quotes for a single lease opportunity.
Lease Application	Created and managed in Oracle Lease and Finance Management for the purpose of obtaining a credit approval from Oracle Credit Management. The lease application is made up of a single lease quote and a credit application.

Business Object	Description
Case Folder	Created in Oracle Credit Management when you submit a Lease Application from Oracle Lease and Finance Management. The credit Case Folder is a central repository for collecting all data related to a credit request and storing all credit decision recommendations and approvals.
Lease Contract	Created and managed in Oracle Lease and Finance Management. Lease contracts may have any book classification (including Loan). The lease contracts are activated to provide the basis of all accounting and business transactions for a deal. You can use an accepted Lease Quote or an approved Lease Application as the source for a new Lease Contract.

You continue your deal through the origination process by continuing to add more details as they become available in prospect or customer interactions. For example, you may provide pricing estimates through the creation of a Quick Quote, then progress the Quick Quote to a full Lease Quote and associated Lease Opportunity when the customer accepts the estimated pricing. By this method, data does not need to be entered again, and more detail can be added to a deal as it progresses. Certain business objects can be converted or linked to other objects to complete the origination process flow.

Origination Business Process

Business Process Overview

While each company's origination process may differ depending on the marketing structure and equipment type, there are some key steps in the overall origination flow that are consistent across companies. The Oracle Lease and Finance Management origination process has the following parts.

1. Setup Marketing and Program Policies and Controls
2. Lead to Opportunity
3. Lease Quote to Credit Decision

Setup Marketing and Program Policies and Controls

Setup Marketing and Program Policies

In order to manage and control events and transactions in the Oracle Lease and Finance Management origination process, marketing and system setups are required.

Companies need to control quoting processes in order to enforce their pricing policies.

Pricing policies can increase efficiency in a high volume environment. To support pricing policies, you can define details for the following pricing objects and tools:

1. Item Residuals
2. End of Term Values
3. Lease Rate Sets
4. Standard Rate Templates
5. Adjustment Matrices

For more information on pricing policies, see Pricing, page 5-1.

Program Controls

To determine when to use certain pricing objects, and whether or not the standard values may be updated, you set up rules and correlated objects. These controls increase your ability to enforce pricing policies for different users, customers, assets, vendors, or deal types. The following rules and objects are used in Oracle Lease and Finance Management:

1. Eligibility Criteria
2. Vendor Program Agreements
3. Structured Pricing Authority for Users

For information on these rules and objects, see Pricing, page 5-1.

Lead to Opportunity

Lead to Opportunity Business Process

Once you have set up the marketing and program controls, you can process transactions and events through the lease life cycle using the objects you have defined. As you identify potential deals, you may need to provide sample pricing to qualify leads. Sample pricing can be performed without identifying a prospect party. Once you have identified the prospect and a specific lead, you can begin tracking the opportunity.

The opportunity provides a central repository for you to store information about other activities relating to the deal. It also provides a data structure that allows you to create sales forecasts.

The following table describes the Oracle Lease and Finance Management Lead to Opportunity business process.

Business Process	Description
Provide Pricing Estimate	To provide a pricing estimate for a lead, you create Quick Quotes. Quick Quotes use pricing policies set up during the marketing process, but do not require you to identify specific parties or inventory items.
Define Prospects	After a lead is qualified as a leasing opportunity, you create a Lease Opportunity to track your leasing sales activities. The first step is to define the prospect if the prospect or customer does not already exist in Oracle Trading Community Architecture (TCA). From the Create Lease Opportunity page, you can initiate the Create Prospect Party process. After completion of this process, the Prospect will become a party in TCA and can be converted to a customer later by adding account details.
Create and Manage Opportunities	After you create a prospect, or identify an existing prospect, you can begin creating your Lease Opportunity. Defaults can be set up on the opportunity that will fill in the details on each quote or estimate created for the opportunity. You can associate the Lease Opportunity to a vendor program agreement to enforce program-related pricing rules. If you convert a Quick Quote to an Estimate, it will automatically create a Lease Opportunity for you.

Lead To Opportunity Automation Features

The Oracle Lease and Finance Management Lease to Opportunity process contains the following features:

1. **Convert Quick Quote to Lease Opportunity** - After creating pricing estimates for leads, you can convert the Quick Quote to a Lease Opportunity Estimate. The Quick

Quote pricing is stored as an estimate for the new Lease Opportunity. Once you convert a Quick Quote to a Lease Opportunity Estimate, you can no longer search for the Quick Quote in the Quick Quote search page.

2. **Default Quote Values** - When you create a Lease Opportunity, you may enter data that will default to all the quotes or estimates you create for the opportunity. Each time you create a new quote or estimate, the default data will appear in the correct fields and you have the option of overriding any information you want to update.
3. **Business Events** - Each key activity you perform on a Lease Opportunity is associated with an Oracle Workflow Business Event. You can enable these business events and associate them to your workflows to automate your standard activities.

Lease Quote to Credit Decision

The Lease Quote to Credit Decision process contains the following two parts.

1. Opportunity to Lease Quote
2. Lease Application to Booking

Opportunity to Lease Quote

Opportunity to Lease Quote Business Process

Once you identify a prospect and create an opportunity, more specific pricing may be generated. In addition to adding new pricing estimate scenarios on the Lease Opportunity, you create Lease Quotes by selecting specific inventory items, fees, services and other quote adjustments to reflect the most accurate possible deal . You can then obtain pricing approvals and indicate prospect acceptance on a Lease Quote. Only one lease quote may be accepted for a Lease Opportunity.

The following table describes the Oracle Lease and Finance Management Opportunity to Lease Quote business process.

Business Process	Description
1. Create Estimates	An Estimate is the same as a Quick Quote except that it is associated to a Lease Opportunity. You can create Estimates after you have created the Lease Opportunity. Estimates can also be converted to standard Lease Quotes.

Business Process	Description
2. Create and Manage Lease Quotes	<p data-bbox="873 310 1365 919">After creating a Lease Opportunity, you can create standard Lease Quotes. First you define the quote configuration by adding lines for assets, capitalized fees and financed fees. You then add financing adjustments such as down payments, subsidies, and trade-ins. Once you have the financed amount determined, you add estimated costs for items such as taxes, services, insurance and other fees. When you go to price the quote, any available pricing options that you set up as Marketing programs, such as rate cards or standard interest rates, are automatically looked up and displayed for you. You can select an option for the quote or for a specific line, or enter your own pricing values if you have the appropriate level of security. With the correct user profile setting, you can update payments, rates, or other options for structured pricing.</p> <p data-bbox="873 945 1352 1035">The quote is then priced to determine any missing values and calculate the yields based on the pricing method you selected.</p> <p data-bbox="873 1060 1352 1249">You can create multiple quotes for a single opportunity and submit them for pricing approval using Oracle Workflow and Approvals Manager. Only approved quotes can be accepted, and you can only accept one quote per opportunity.</p>

Opportunity to Lease Quote Automation Features

The Oracle Lease and Finance Management Lease Quote to Credit Decision process contains the following features:

1. **Tax** - You define tax settings on a Lease Quote used to estimate any upfront taxes that may apply to a quote. Any taxes you decide to finance will be automatically added to the configuration as a financed fee and you can define a payment so the fee is repaid with interest.
2. **Convert Estimate to Lease Quote Default Quote Values** - After you create a pricing Estimate using estimated values and inventory categories, you can use the conversion train to turn the Estimate into a standard Lease Quote. The train defaults many values on the Lease Quote and allows you to distribute estimated amounts over more specific asset and fee quote lines or specify details for

adjustments such as subsidies.

3. **Business Events** - Each key activity you perform on a Lease Opportunity is associated with an Oracle Workflow Business Event. You can enable these business events and associate them to your workflows to automate your activities.
4. **Oracle Workflow** - You can use the Oracle Workflow associated to the pricing approval step to automate your process for approving quote pricing. Workflow can include routing, notifications and other tasks or activities.
5. **Oracle Approval Manager** - You can enable your pricing approval workflow to use Oracle Approval Manager. Approval Manager allows you to automatically route notifications to a hierarchy of users based on their relationships defined in your Resource Manager set ups for Oracle Sales.

Pricing Methods

When you price a quote, you determine the values you know and the values you are trying to calculate by selecting a pricing method. The pricing method determines the inputs required for a quote, such as rates, payments, or financed amounts, and what values you are trying to calculate, such as a payment, yield, or subsidy amount.

For more information on Pricing Methods, see Pricing Overview, page 5-1.

Lease Application to Booking

Lease Application to Booking Business Process

Once the prospect has accepted a quote, you can convert a Lease Quote into a Lease Application and submit for approval. You add credit data to the Lease Application along with the pricing information from the quote to create an application. Through integration with Oracle Credit Management, a credit analyst decides if the application approved or rejected. The decision and decision approval process may be automated using Credit Management's scoring and decision tools.

Once the credit decision is approved, the decision and any other recommendations are updated on the Lease Application and the submitter views the results. Applications with an Approved decision may be used to create lease contracts. Any recommendations that are conditions associated with the credit decision are recorded on a checklist that is invoked during booking or funding to insure the conditions have been met. If you do not agree with the credit decision or any of the recommendations, you can appeal the decision using a new lease application. The new application is linked to the existing application. If you want to accept any credit recommended changes to the pricing, you can resubmit a new lease application with the credit recommended offer. The new application is linked to the existing application. You can also withdraw an application up to the point where the credit decision and recommendations are finally approved. If you decide to extend credit through a credit line, the credit analyst may create and activate a Credit Line with an approved amount.

The Credit Line may be associated to one or more contracts and checked for an available balance with each funding. Credit Lines may also have checklists to insure that conditions for activating or using the Credit Line have been met. However, Credit Lines are not associated with a Lease Application

If you do not agree with the credit decision, or any of the recommendations, or if the deal has been modified after the credit approval is final, you can appeal the decision or resubmit the lease application using a new lease application. The new application is linked to the existing application and the existing application status is updated to Appealed or Resubmitted.

If you want to change any parts of the lease application or accept a credit recommended pricing change, you can resubmit a new lease application and accept a credit recommended offer. The new application is linked to the existing application. You can also withdraw an application up to the point where the credit decision and recommendations are finally approved.

The following table describes the Oracle Lease and Finance Management Lease Application to Booking business process.

Business Process	Description
1. Create and Manage Lease Applications	You can create Lease Applications and submit them for credit approval. The application includes both quote details and credit application details. Credit decisions are made using Oracle Credit Management when you submit the Lease Application. After the credit decision is entered and approved, the Lease Application is updated with the decision and any credit recommendation conditions. You can use the lease application to create a new contract if you agree with the credit decision. You can also resubmit the application, appeal the decision or withdraw the application. Lease Applications can be created using an accepted Lease Quote.

Business Process	Description
2. Create Checklists	<p>You create checklists for data or activities that you want to check for when a contract is booked or funded. You also create checklists for data or activities you want to check before a credit line can be activated. After activating a checklist, you associate it to a Credit Line or Lease Application template. When contracts associated to the Credit Line or Lease Application are booked or funded, the data or activities listed on the checklist are reviewed. Mandatory items must be met before the funding request or contract booking can be submitted for approval. You are notified with a warning if optional items are not met prior to submitting a request for approval.</p>
3. Create Master Leases	<p>If you negotiate master leases with your lessees, you can create a Master Lease Agreement. After you enter the details on the Master Lease, you activate it. Active Master Lease Agreements can be associated to one or more Lease Contracts. The terms of the Master Lease Agreement may be used in processes for the contract during its life cycle.</p>

Business Process	Description
4. Create and Activate Credit Lines	<p>If you want to approve credit for multiple deals, you can create Credit Lines. After entering a Credit Line and associating a credit line amount, you activate it. Active Credit Lines may be associated to Master Leases or to one or more Lease Contracts. When you request a funding for a contract, the associated Credit Line is verified to insure the credit limit amount has not been exceeded by previous approved funding requests. If the contract has no credit line or associated lease application, the credit line associated to the master lease for the contract is used to track the credit limit. Contracts associated with Lease Applications cannot use credit lines to track credit limits. Credit Lines may be expired, increased or decreased. You can associate checklists to Credit Lines and your Lease Applications that insure your credit conditions are met before the line becomes active or for each funding associated to the line or lease application through a contract.</p>
5. Create and Activate Contracts	<p>After you enter all of the details for a Lease Contract, you can activate it. Activation requires you to validate the contract, generate streams and yields for the contract and submit it for approval. Upon activation, journal entries are created to record the new contract in your ledgers. In addition, assets are set up in Oracle Assets asset and tax books based on the book classification (e.g., operating lease, loan) and the asset is registered in Oracle Install Base for location and serial number tracking.</p> <p>After activation, you can begin billing and accruing for the contract.</p>

Business Process	Description
6. Create and Approve Funding Requests	<p data-bbox="971 304 1463 688">In order to pay for the assets and expenses you put on Lease Contracts, you create funding requests. After creating the funding request and associating the contract lines and amounts you wish to pay for, you submit the request for approval. If the contract is associated with a checklist through the Lease Application or Credit Line, the items on the checklist are evaluated during the approval step to insure they have been met. The request is then routed for approval using Oracle Workflow.</p> <p data-bbox="971 716 1463 1003">After approval, an invoice is created in Oracle Payables. You can also adjust previous funding using an adjustment funding request. Adjustment funding requests are funding request types for a positive amount or negative amount, based on whether asset fundable amounts were increased or reduced as a result of the contract revision. Adjustment requests create debit notes in Oracle Payables.</p> <p data-bbox="971 1031 1425 1150">After the funding request is approved, you can view a summary of the funding totals against the credit limit of any associated Credit Line or Lease Application.</p>

Lease Application to Booking Automation Features

The Oracle Lease and Finance Management Lease Application to Booking process contains the following features:

1. **Tax** - You define tax settings on a Lease Application used to estimate any upfront taxes that may apply to the Lease Application quote. You can also define these parameters on a Lease Contract. Any taxes you decide to finance will be automatically added to the application quote or the contract as a financed fee. You can also set up taxes on a Lease Contract for billing once the contract is activated.
2. **Business Events** - Each key activity you perform on a Lease Application or Lease Contract is associated with an Oracle Workflow Business Event. You can enable these business events and associate them to your workflows to automate your standard activities.
3. **Lease Application Templates** - You set up Lease Application Templates to identify the type of credit evaluation to be conducted, to specify any standard checklists you

want to use, and to default any contract terms and conditions that will apply to the deal if it is approved. Lease Application Templates can be associated to Vendor Program Agreements that will default the correct template based on the selection of the customer and vendor program on the Lease Application.

4. **Contract Templates** - You can create Contract Templates that you use to create new contracts. If you use a contract template to create a new contract, the values on the template default to the new contract. You can also associate a contract template to a Lease Application template. The terms and conditions on the contract template will default onto the new contract you create from approved Lease Applications.
5. **Convert Lease Applications to Contracts** - You can create new Lease Contracts by copying a Lease Application. You can use an approved Lease Application to create only one contract unless you cancel other contracts created from the same application. Checklists associated to the Lease Application apply to the activation of the contract and all funding for the contract.
6. **Convert Lease Quotes to Contracts** - You can create new Lease Contracts by copying a Lease Quote. You can use an accepted Lease Quote to create only one contract unless you cancel other contracts created from the same quote.
7. **Contract Import** - You can import contracts so they do not have to be entered manually. When importing, you decide what status the contracts will be in when the import process completes. For example, you can specify that contracts are imported and validated only, or you can specify that contracts are imported, priced and activated during the import process. Contract template and vendor program defaults can be applied to your imported contracts.
8. **Oracle Workflow** - You can use the Oracle Workflow associated to the approval step to automate your process for approving a contract for activation or approving funding requests. Workflow can include routing, notifications and other tasks or activities.
9. **Oracle Approval Manager** - You can enable your contract activation and funding approval workflow to use Oracle Approval Manager. Approval Manager allows you to automatically route notifications to a hierarchy of users based on their relationships defined in Resource Manager for Oracle Sales (CRM).

Vendor Origination

All estimating and quoting features available to your internal users are also available to third party vendors.

Vendors cannot see quotes or estimates created by other vendors or your internal users. Internal users belonging to the same organization unit may view vendor created quotes and estimates and update them. Once the quote is updated, it belongs to your internal

organization and cannot be updated further by third party users.

Oracle Applications Origination Integration

The following table shows where the Oracle Lease and Finance Management origination process integrates with other Oracle Applications.

Oracle Lease and Finance Management Feature	Business Object	Oracle Application
Define Prospect	Party or Customer	Oracle Trading Community Architecture (TCA)
Applications (Underwriting)	Credit Application Case Folder	Oracle Credit Management
Create and Approve Funding Requests	Funding Requests Payable Invoices	Oracle Payables
Create and Activate Contracts	Contract Checklists	Oracle Assets Oracle Install Base

Quick Quotes and Lease Opportunity

This chapter covers the following topics:

- Quick Quotes
- Lease Opportunity

Quick Quotes

Overview

A quick quote is a type of lease sales quote generated with less specific data than a standard lease quote. Quick quotes are standalone quotes you can use to estimate pricing for leads based on existing pricing policies. Pricing for quick quotes is calculated based on item categories. Quick quotes do not require you to identify a prospect.

Completed quick quotes can be converted into lease opportunities and estimates, which do require prospects.

An existing quick quote can be duplicated to create a new one.

From the quick quote summary, you can select up to three quick quotes at the same time to compare results.

Create Quick Quote

Quick Quotes are created in the Quote Details page by completing the following tasks.

1. Enter Quote Details
2. Enter Order Estimate
3. Enter Pricing Options
4. View Quote Results

Enter Quote Details

You can add estimated fees, services, taxes, and insurance when creating a quick quote to more accurately match estimated pricing scenarios.

The following table describes the Quote Details page.

Field	Description
Operating Unit	<p>Operating unit assigned to the record.</p> <p>Note: The list of values includes operating units assigned to the MO: Security profile.</p> <p>Additional Information: The application displays the selected operating unit as the default in the subsequent pages irrespective of the value that you set for the MO: Default Operating Unit profile option.</p> <p>The selected operating unit restricts the valid list of values in applicable fields.</p>
Quote Number	<p>Oracle Lease and Finance Management defaults a quote number based on the database sequence. You can override the defaulted number. No quote number can be used twice for different quick quotes.</p>
Description	<p>Describes quick quote. Up to 240 characters.</p>
Expected Start Date	<p>Defaults to the truncated Oracle Lease and Finance Management system date.</p>
Vendor Program	<p>List of values showing non-template program agreements that are activated on the expected start date entered for the quote. The list of values is filtered based on eligibility criteria associated to the vendor program agreement. The vendor program selected may impact what item categories you can select and what options are available for pricing.</p>

Field	Description
Currency	Defaults to your ledger currency. The currency selected may impact what options are available for pricing.
Pricing Method	List of values includes Rate Card, Solve for Financed Amount, Solve for Payment, Solve for Subsidy, Solve for Yield, and Target Rate. Only one pricing method can be selected. The pricing method determines what values you must enter on the quote and what values will be calculated during pricing.
End of Term Option	Displays end of term options active on the start date entered. If a selected vendor program has associated end of term options, they will appear in the list of values. A start date must have been entered before end of term options can appear. The option you select will be used to determine the end of term value for each item category.
Term	The term of the contract in months. Must be a whole number greater than zero.

Enter Order Estimate

After entering quick quote details, you enter an order estimate by selecting inventory item categories that have been set up in Oracle Inventory.

The following table describes Item Category page details.

Field	Description
Item Category	<p>Displays item categories in Oracle Inventory that are associated to the setup of the Leasing Item Category Set in the Quoting System Options page.</p> <p>If the profile option OKL: End of Term Values Access Level is set to None, the list of values shows only item categories that have a value set up on the End of Term Option selected for the quote. The matching value would be determined based on the combination of End of Term Option, Term, and Item Category.</p>
Description	Read only item category description, as set up in Oracle Inventory.
Cost	<p>The Item Category Cost of assets. Entered for all pricing methods other than Solve for Financed Amount, for which the column title changes from Cost to Percentage Total Cost. The Percentage of Total Cost for all categories must equal 100. The financed amount calculated is distributed to each category based on the specified percentage.</p>
End of Term Amount	Read only. Displays only if the profile option OKL: End of Term Values Access Level is set to View or Update. Oracle Lease and Finance Management determines the End of Term value for each item category based on the combination of End of Term Option, Term, and Item Category selected.
End of Term Override Amount	Displays if the profile option OKL: End of Term Values Access Level is set to Update. You specify the end of term value to use in pricing calculations rather than the look up value.

Enter Pricing Options

After entering the order estimate, you enter pricing details for your quick quote. Entering pricing details includes the following tasks:

1. Select Financing Adjustments

2. Add Fees and Services
3. Select Pricing Option

Select Financing Adjustments

Financing adjustments are optional. Financing adjustments reduce the total amount financed on the quote. Oracle Lease and Finance Management allows the following three types of financing cost adjustments: Subsidy, Trade In, and Down Payment. On Quick Quotes, you can specify these adjustments at the quote level.

Select the adjustment type and enter the adjustment amount. Also select a basis for the value, specifically whether it is an absolute amount or whether it is a percentage of the total estimated asset cost.

You can enter multiple subsidies, but only one amount for a trade in or down payment.

Add Fees and Services

Adding fees and services to a quick quote is optional. The amounts are estimated and you do not need to select a specific fee or service type, only the general type of fee or service. Oracle Lease and Finance Management allows the following fee and service types: Fee, Fee Payment, Service, Tax, and Insurance. Specify the basis value and basis type.

Select Pricing Option

Select the pricing option for your Quick Quote. Pricing options available are dependent on setups and the pricing method you select. For example, you will see rate card options in the list only if rate cards have been set up with lease rate factors and you select rate card pricing method. Click Next to initiate pricing. Oracle Lease and Finance Management performs validations on each quote to ensure the required quote pricing data is included. If pricing data is missing from a quote, Oracle Lease and Finance Management will indicate what is missing.

For information on pricing, see Pricing Overview, page 5-1.

View Quote Results

Once pricing is completed, results are displayed in the Quick Quotes: Results page. Results include all previously entered data, the key pricing result, rent and non-rent payments, yields, and subsidized yields.

Pricing results are dependent on the pricing method used. The following table shows what key pricing results are generated by each pricing method.

Pricing Method	Key Pricing Result
Solve for Financed Amount	Total financed amount. If the quick quote contains more than one order estimate line, results will show a breakdown of the total financed amount for each line based on the percent of total cost for each category.
Solve for Payment	Rent payments
Solve for Subsidy	Total subsidy amount
Solve for Yields	Yields and subsidized yields
Target Rate	Rent payments
Rate Card	Rent payment per order estimate line. If authorized in the appropriate user profile option, you will also see the lease rate factor used to determine the rent payment.

Search for a Quick Quote

You can search for quick quotes in the Quick Quotes: Search page by entering data for one or more of the following fields: Quote Number, Quote Description, Contract Start Date, Quote Creation Date, or Vendor Program Number. The search covers data created in your operating unit and inventory organization.

Update a Quick Quote

Quick Quotes can be updated to meet the needs of prospects. In the Quick Quotes: Results page, you can save the current quick quote and start a new one. The only detail that cannot be changed when updating a quick quote is the Quote Number.

Compare Quick Quotes

You can compare up to three quick quotes by selecting the quotes from the search results page and clicking Compare. Details compared include Quote Number, Expected Start Date, Term, Total Cost, Total Financed Amount, Purchase Option Type, Pricing Option, and others. You can also compare asset configurations and payments by expanding those regions. Payment comparisons are limited to payment levels and not payment schedules with individual payment due dates.

Create Lease Opportunities from a Quick Quote

When you have completed a quick quote, you can use it to create a new lease opportunity. Enter data for all required fields for a new lease opportunity. You can copy quick quote details to the lease opportunity and add new details. A converted quick quote will appear as an estimate with the lease opportunity. Once converted, the quick quote will no longer appear in the results for quick quote searches.

You can convert a quick quote into a lease opportunity from the Quick Quotes: Search page, or as the final step in the quick quote process. Click Convert to Opportunity and quick quote details will default to the Create Lease Opportunity page.

Lease Opportunity

Lease Opportunity Overview

A lease opportunity allows you to associate multiple quotes and estimates to a single expected transaction. The opportunity enables you to price multiple scenarios, but manage the sales status for a single deal. Only one lease quote can be accepted by the customer for each lease opportunity.

Lease opportunities have three possible statuses:

1. **Incomplete** - does not contain any completed and priced quotes
2. **Complete** - contains at least one completed and priced quote, but does not contain an Accepted quote.
3. **Accepted** - contains an Accepted quote.

Search for a Lease Opportunity

You can search for a lease opportunity by Number, Description, Prospect, Vendor Program Number, Contract Expected Start Date, and Status in the Lease Opportunities: Search page. Searches are limited to the opportunities' operating unit and inventory organization.

Create Lease Opportunity

You can create a lease opportunity by entering the details in the Create Lease Opportunity page. The following table describes Lease Opportunity details.

Lease Opportunity Details

Field	Description
Operating Unit	<p>Operating unit assigned to the record.</p> <p>Note: The list of values includes operating units assigned to the MO: Security profile.</p> <p>Additional Information: The application displays the selected operating unit as the default in the subsequent pages irrespective of the value that you set for the MO: Default Operating Unit profile option.</p> <p>The selected operating unit restricts the valid list of values in applicable fields.</p>
Prospect	<p>Only active parties of the type Organization are available for selection.</p>
Prospect Number	<p>Read-only field populated upon the selection of a prospect.</p>
Valid From	<p>Defaulted date representing the earliest date that any delivery, funding, or expected start date can be on.</p>
Expected Start Date	<p>Must be after the delivery date.</p>
Vendor Program	<p>List of values showing active non-template program agreements for which the deal details meet eligibility criteria specified on the program agreement. Eligibility criteria based on configuration items or other pricing details are not used to restrict the selection of the program but are validated later by Oracle Lease and Finance Management prior to pricing.</p> <p>The Lease Opportunity Expected Start Date must be between the Vendor Program Effective Dates.</p>

Field	Description
Legal Entity	Identifies the first party on the contract. This field is mandatory, if you select Upfront Tax to calculate tax.
Upfront Tax Treatment	Bill, Capitalize, or Finance. Determines the default method for handling any applicable taxes identified for the quotes created for the opportunity. For information on tax setups, see Tax.
Property Tax Applicable	Defaulted from property tax setups. Provides default values for property tax attributes for each quote created for the opportunity. Used to determine how property tax payments will be handled.
Supplier	List of active suppliers. Used as the default supplier for all quotes. Users can override and use other suppliers for individual fees and services during quote creation.
Install Site	List all active Ship To addresses for prospects. Used as default value for all quotes created for the opportunity. Asset Usage details are optional and can be used to validate item residuals during quote validation.
Asset Usage Category	List of usage categories that describes the usage basis on which the lessee may be using the financed equipment, for example: Hourly.
Asset Usage Amount	The amount of usage the lessee plans to use the financed equipment based on the usage category. This amount does not directly impact quote pricing.
Asset Usage Industry Class	The classification system that provides a list of industry codes to describe possible usage industries.

Field	Description
Asset Usage Industry Code	<p>The code belonging to the selected class that describes the industry in which the lessee will be using the financed equipment.</p> <p>Asset Usage Industry Class must be selected first. If Asset Usage Industry Class is updated, this value is erased.</p>

Note: Oracle Lease and Finance Management derives the legal entity from the program agreement with the vendor for the lease opportunity that you create using Vendor Self Service.

Create Estimates for a Lease Opportunity

After creating a lease opportunity, you can create an estimate. Estimates function like quick quotes in terms of their process flow and pricing features, but are initiated from the Lease Opportunity page. Estimates allow you to apply pricing policies to estimate quote pricing without having to enter details of specific asset items, fees or services. The Estimates page has a summary of existing estimates created for a Lease Opportunity. You can start the estimate process by clicking Create. The following fields cannot be updated: Expected Start Date and Vendor Program.

Estimate details can be viewed by clicking on the estimate.

Update, Duplicate, or Cancel a Lease Opportunity

A lease opportunity can be updated by clicking Update in the Lease Opportunity Details page. After a lease opportunity is created, the following fields cannot be updated: Prospect, Prospect Address, Vendor Program, Currency, Currency Conversion Factors. You cannot update the legal entity if you have activated the lease opportunity or initiated the tax calculation process before activating the lease opportunity.

You can duplicate a lease opportunity by clicking Duplicate in the Lease Opportunities: Search page. All opportunity details will default to the duplicate except the Number, which is generated anew. All estimates and lease quotes of the source lease opportunity are also duplicated, except for the following fields: Validation Results, Pricing Results, and Upfront Tax. Duplicated quotes need to be validated and priced before submitted for approval. Any lease applications attached to the lease opportunity are not duplicated.

You can cancel a lease opportunity by selecting it and clicking Cancel. A lease opportunity cannot be canceled if there are any lease applications or accepted quotes created for it. When canceled, a lease opportunity's number is available for use again on

a new lease opportunity.

View Lease Applications for a Lease Opportunity

You can view all lease application details for a lease opportunity in the Lease Applications page, or by selecting the Lease Application in the Lease Opportunity page. Lease Application details include any credit recommendations and the lease application status.

Pricing

This chapter covers the following topics:

- Pricing Overview
- Pricing Tools
- Pricing Controls

Pricing Overview

Pricing is the process for determining rates associated with a transaction, such as interest rates or yield rates. If rates are known, other values in the pricing formula can be determined, including the payment. The leasing industry relies on pricing tools to calculate and control pricing for lease sales quotes. Pricing tools help control the quoting process, enforce a company's pricing policies, and increase efficiency in a high volume environment.

Pricing tools enable you to create pricing policies and enforce compliance to set pricing standards. Pricing tools must have the flexibility to adapt to a variety of financial circumstances and preferences without compromising accuracy and control.

The object of the sales process is to determine the pricing for a deal. Based on pricing information known and what pricing data needs to be calculated, you select a pricing method for a quote. Each pricing method allows you to solve for a different pricing result. The other values of the pricing calculation must be selected or entered. For example, if you select Solve for Financed Amount, you must enter values for the rates, end of term ratios and payments. The pricing programs will determine the amount of financing that can be allocated to quote lines for the payment and rates provided.

If you use lease rate factors to calculate quote payments, Oracle Lease and Finance Management enables you to create lease rate sets (rate cards). The rate set includes a series of lease rate factors. The lease rate factor is identified or entered for each quote line and multiplied for the cost of each line to determine the payment for the line. You can generate or regenerate lease rate factors for a lease rate set (rate card) using a concurrent program. To run the program, you can select a standard rate template to

look up an interest rate or enter an interest rate, you enter a range of term lengths and a range of end of term option values. The Oracle Lease and Finance Management lease rate factor generation program calculates all applicable lease rate factors for each valid interval combination.

Optionally, you can also set up adjustment matrices to automatically adjust interest rates or lease rate factors based on deal details. For example, if you adjust interest rates or lease rate factors for deals with long term lengths, you can set up the adjustment matrix for an adjustment amount for ranges of terms. When you select the associated standard rate template or rate card associated to the adjustment matrix and the rate is retrieved, it will automatically be adjusted depending on the term length of the estimate or quote.

Pricing Tools

To support your pricing policies using Oracle Lease and Finance Management, you define details for pricing tools. Oracle Lease and Finance Management uses the following pricing tools:

Oracle Lease and Finance Management Pricing Tools

Pricing Tools	Function
Item Residuals	Item Residual Values are used to create end of term options and can be assigned to items. You may define a value for inventory items or categories used on quotes. The value may be defined as a percentage of the asset cost or as a fixed value. You specify a different residual for each term length that can be quoted.
End of Term Options	End of term options are used as the future value in all pricing calculations for lease sales quotes. You can create end of term options and assign inventory items or categories to the option with a value for each item/category associated. If you use item residuals as the basis for end of term values, you can associate the end of term option to an item residual to derive values during quoting.

Pricing Tools	Function
Lease Rate Sets (or Rate Cards)	A lease rate set, or rate card, is a table of one or more lease rate factors to be used by the Oracle Lease and Finance Management rate card pricing method to calculate the payment for an asset on a quote or estimate. You define lease rate sets that are used to determine a payment amount for an asset on a quote or estimate. Rate sets contain one or more lease rate factors. A lease rate factor is multiplied by the asset cost to determine the payment amount. During quoting, the lease rate factor is looked up based on the quote item or item/category end of term value amount or percentage and the quote term.
Standard Rate Templates	You can define standard rate templates to generate an applicable interest rate for a specific date and quote. You can also specify a rate template for each quote line. The rate template may refer to a rate index or a base rate. You define other attributes such as an adder rate and day count convention that determine how the interest rate is used in calculations.
Adjustment Matrices	An adjustment matrix allows you to increase or decrease an interest rate (from a standard rate template) or a lease rate factor (from a lease rate set) based on deal attributes. You define a range of values for an attribute and the corresponding increase or decrease in rate for that range.

Item Residual Values

An item residual is a value assigned to an inventory item or inventory category in Oracle Lease and Finance Management for a specific term length. The value can be a specific number or a percentage of the asset cost used to calculate the residual value. Item residual values can be used to assign end of term option values.

To create item residuals, see: *Create Item Residuals, Oracle Lease and Finance Management Implementation Guide*.

End of Term Options

End of term option values are used as the future value in all pricing calculations for lease sales quotes. For each item assigned to the end of term option, you can enter a value or the value can be derived from the item residual value for each term length you specify. When you assign an inventory item or inventory category to an end of term option, the associated item residual value defines the end of term option value. Or when you use the inventory item or category, you can enter the end of term option value directly. End of term option values can also be defined for a residual category set.

A residual category set is a group of items, or item categories, for which you assign common item residuals. The grouping can consist of items or item categories, but not both. For example, you may group together inventory item categories for trucks and buses into a single residual category set and assign common item residual percentages. The end of term value is only used for pricing on quotes and is not recorded on the lease contract. Therefore it is not used for termination quotes unless you set up a formula to derive it from the set up.

To create residual category sets, see: *Create Residual Category Sets, Oracle Lease and Finance Management Implementation Guide*.

Create End of Term Options

To create end of term options enter the option details in the Create End-of-Term Option page. Click Apply when done. The following table describes end of term option fields.

Field	Description
Operating Unit	<p>Operating unit assigned to the record.</p> <p>Note: The list of values includes operating units assigned to the MO: Security profile.</p> <p>Additional Information: The application displays the selected operating unit as the default in the subsequent pages irrespective of the value that you set for the MO: Default Operating Unit profile option.</p> <p>The selected operating unit restricts the valid list of values in applicable fields.</p>
Name	Name of the end of term option

Field	Description
Description	Optional description of the end of term option
Source	Determines if the end of term option value will be looked up for each item or based on an item category or residual category set.
Value Type	Determines if the end of term option value is calculated as an amount or percent of the asset cost.
Currency	Type of currency to be used
Product	Financial Product the end of term option is associated to
Status	When you click Apply, the end of term option value entered is saved with a status of New, and must be approved before it can become Active. If you click Submit, the option is saved and submitted to Oracle Workflow for Approval.
Item	Item to be associated to the end of term option
Term	Term of the end of term option
Value	The end of term option value.

Standard Rate Templates

The following section describes standard rate templates.

Overview

If you use other payment methods that require the use of an interest rate in the calculation, you can set up standard rate templates to derive or impose the interest rates you want to use. You can specify standard rate templates for each business unit to be the default template when no other rate card or rate template has been defined with set effective to and from dates.

Standard rate templates generate an applicable interest rate for a specific date and item or quote. When you set up a standard rate template, you can either enter the base interest rate or base it on an interest rate index. Other details can be defined also, such

as alternative day count conventions, minimum and maximum interest spreads, and adder rates, to set up how the interest rate will be used in pricing calculations.

When you chose an interest spread, the spread is added to the base rate or index to determine the final interest rate. Interest can be calculated based upon 30 day months with 360 day years, actual day months with 365 day years, or actual day months with actual day years. Additionally, you can use standard rate templates to derive interest rates you want to use when generate rate factors for a lease rate set (rate card).

Create Standard Rate Template

To create a standard rate template, enter the template details in the Create Standard Rate Template page. Enter the template version details in the Version Details region. Enter Eligibility Criteria details and click Apply when done. The following table describes end of term option fields.

Field	Description
Operating Unit	<p>Operating unit assigned to the record.</p> <p>Note: The list of values includes operating units assigned to the MO: Security profile.</p> <p>Additional Information: The application displays the selected operating unit as the default in the subsequent pages irrespective of the value that you set for the MO: Default Operating Unit profile option.</p> <p>The selected operating unit restricts the valid list of values in applicable fields.</p>
Name	Name of the standard rate template
Description	Optional description of the standard rate template
Use Rate Card Only	If selected, allows you to use this template for generating lease rate factors for a lease rate set (rate card).

Field	Description
Status	When you click Apply, the end of term option value entered is saved with a status of New, and must be approved before it can become Active. If you click Submit, the option is saved and submitted to Oracle Workflow for Approval.
Currency	Type of currency to be used. Must match the currency used in your quote or lease rate set.
Pricing Program	Reserved for future use. You can only use the internal pricing program for lease sales quotes.
Type	Determines if the template will derive its base interest rate from an index or from a value you enter.
Frequency	Determines how to apply the interest rate when used in pricing.
Rate	Pricing Rate
Spread	The rate amount that will be added to any specific base rate, whether the base rate is entered or derived from an index.
Convention	Determines the day count logic used with the template when it is associated to a quote or lease rate set.
Adjustment Matrix	Determines if the calculated rate requires any adjustment based on the actual values of the quote, such as deal size or term length.
Minimum/Maximum Adjusted Rate	Rate adjustments from pricing adjustment matrices are cumulative, so you can limit the overall adjusted rate to a maximum or minimum value for the template.
Match Criteria	Provided eligibility criteria have been set up, you can set up the criteria to match on All, None, or One of the values in the set.

Field	Description
Validation	Determines whether conditions result in an Error or Warning upon validation.

Copy Standard Rate Templates

You can copy standard rate templates to create a new template and the copy is assigned a default name which you can update. A standard rate template with the status New is created, but has not been submitted for approval.

Update Standard Rate Templates

When you make changes to an active standard rate template, except end dating, a new version is created. Versions of the standard rate template are assigned statuses. If you update a template version, the status is Incomplete and you must submit the new version for approval before it can be activated and used in quote pricing. You can update standard rate templates by updating the base on the template directly, or deriving a new rate based on the associated rate index. Updates to the standard rate template will generate new lease rate factors for associated lease rate sets.

Adjustment Matrices

An adjustment matrix is a pricing tool used to adjust an interest rate on a standard rate template or a lease rate factor on a lease rate set. The adjustment matrix enables you to increase or decrease an interest rate on a standard rate template or a lease rate factor in a lease rate set based on the specifics of your deal. You can define a range of values for an aspect of your deal and the corresponding increase or decrease in the rate for that range. Adjustment categories can also be created and used to select and restrict the use of adjustment matrices, such as which customer credit classifications can have rate adjustments.

Oracle Lease and Finance Management provides an approval process for pricing adjustment matrices and you can set up notifications for when the pricing adjustment matrix status changes to Approved, Submitted, or Rejected.

Create Pricing Adjustment Matrix

To create a pricing adjustment matrix, enter the matrix details in the Create Pricing Adjustment Matrix page. Click Apply when done. The following table describes pricing adjustment matrix fields.

Field	Description
Operating Unit	<p>Operating unit assigned to the record.</p> <p>Note: The list of values includes operating units assigned to the MO: Security profile.</p> <p>Additional Information: The application displays the selected operating unit as the default in the subsequent pages irrespective of the value that you set for the MO: Default Operating Unit profile option.</p> <p>The selected operating unit restricts the valid list of values in applicable fields.</p>
Name	Name of the pricing adjustment matrix
Description	Optional description of the pricing adjustment matrix
Type	Determines whether you can associate the matrix to a standard rate template to adjust interest rates, or to a lease rate set to adjust lease rate factors. The value entered determines what is adjusted by the Adjustment Matrix. <i>Rate</i> is selected to adjust Standard Rate Templates. <i>Rate Factor</i> adjusts Lease Rate Sets.
Currency	Type of currency to be used
Status	After you create a matrix, it remains in a status of New until you submit it for approval. Only approved matrices are Active and apply to quote rate adjustments.
Effective To/Effective From	Once you associate a category to a matrix, you determine the dates the category will be valid on this matrix version, and the values or value ranges within the category that will result in rate adjustments.

Field	Description
Add Criteria	After you enter the matrix details, you can add adjustment categories to the matrix, providing the categories have been set up as a criteria category. For each value or value range in the selected criteria category, you determine the amount the interest rate or lease rate factor will be adjusted by. Oracle Lease and Finance Management automatically adds these adjustments to the rates on a quote when you perform pricing.
Submit	Click to submit the matrix for approval.

Pricing Methods

Oracle Lease and Finance Management uses the following pricing methods:

- Lease Rate Sets (or Rate Cards)
- Solve for Payment
- Solve for Missing Payment
- Solve for Yield
- Target Rate

Lease Rate Sets

Overview

A lease rate set, or rate card, is a table of one or more lease rate factors used by the Oracle Lease and Finance Management rate card pricing process to calculate the payment for an asset on a quote or estimate. You set up and maintain a lease rate set, or rate card, when you use the Rate Card pricing method. A lease rate set contains multiple lease rate factors. Rate factors are looked up for each line on a quote based on the end of term value (percentage or amount) and the lease term of the quote. The lease rate factor is multiplied by the asset cost for each quote line to determine the payment amount. You can manually enter lease rate factors in the lease rate set, or set up Oracle Lease and Finance Management to calculate the lease rate factors for you. For each end of term residual value and term you authorize for a quote, you generate or enter a lease rate factor.

During pricing plan creation for a quote, you select a lease rate set from a list of sets that

matches the frequency and rate you enter on a quote. You can also specify a rate card for individual quote lines. Oracle Lease and Finance Management looks up the rate factor from the set for each asset on the quote. The factor rate is multiplied by the item asset cost to determine the payment amount for each asset and the total for all assets is displayed as the payment amount.

For each lease rate set, you can also define tolerance ranges when defining lease rate factors for a given residual amount. During the look up process for determining the lease rate factor that applies to the quote line, Oracle Lease and Finance Management will use the tolerance to find the best match for an item. You can specify the tolerance range used to determine the best match, but there are several seeded categories, including deal size, down payment amount, number of advance payments, deferred payment days, end of term option on a financial product, and end of term value tolerance. The lease rate factor generation program can calculate rate factors for level payments or factors that include a deferred payment where the first step includes a payment of zero amount.

Alternatively, you can define multiple step rate cards with a series payment steps, each with a term and different rate factor per level per rate card entry. The payment levels you define on a rate card default onto a quote and the rates are multiplied by the asset cost to create a payment amount per step.

You can define acceptable ranges of financing cost adjustments for the use of a rate card. Financing cost adjustments can include down payments, trade-ins, and capital reductions. You can define ranges of values for these pricing details for a rate card or standard rate template.

Create Lease Rate Set

To set up lease rate sets, complete the following tasks starting in the Lease Rate Sets page:

- Enter Rate Set Details
- Associate Eligibility Criteria
- Enter Rate Factor Determinants

The following table describes lease rate set details.

Field	Description
Operating Unit	<p>Operating unit assigned to the record.</p> <p>Note: The list of values includes operating units assigned to the MO: Security profile.</p> <p>Additional Information: The application displays the selected operating unit as the default in the subsequent pages irrespective of the value that you set for the MO: Default Operating Unit profile option.</p> <p>The selected operating unit restricts the valid list of values in applicable fields.</p>
Type	<p>Deferred, Level, or Manual.</p> <p>Advance type handles advance payments. Values are automatically generated.</p> <p>Deferred type rate allows you to specify a number of months in the beginning of the term that no payment is due. The values are automatically generated based on the interest rate, frequency, end of term option, and term range you specify.</p> <p>Level type creates a single payment step for the entire term. The values are automatically generated based on the interest rate, frequency, end of term option, and term range you specify.</p> <p>Manual type allows you to enter the steps of the rate set yourself. You must enter each lease rate factor in the set for each term and end-of-term value combination. The values will not automatically be generated for you.</p>
End of Term Option	<p>You can associate an end of term option to the lease rate set. This purchase option is used to populate the Lease Rate Factor table.</p>
Currency	<p>Select the currency to be used.</p>

Field	Description
Frequency	Annual, Monthly, Quarterly, or Semi-Annually.
Description	Optional description of lease rate set.
Standard Rate Template	Associate to a Standard Rate Template. Any eligibility criteria associated to the Standard Rate Template will be inherited.
User Rate	Rate value can come from the Standard Rate Template, if associated, or must be entered manually.
Arrears	Determines whether the lease rate set is in arrears or not.
Rate Tolerance	Determines whether the match on the lease rate set must be exact or can be within the tolerance range.
Residual Tolerance	The range around the end of term option value that will be tolerated.
Adjustment Matrix	You can associate an adjustment matrix to adjust lease rate factors within a rate card. The adjustment matrix must have a status of Active to be selected.
Eligibility Criteria: Match Criteria	Indicates if All the criteria categories in an object must be matched for the search or validation to be successful, or if One criteria category match will suffice.
Eligibility Criteria: Validation	Warning type validation means that a warning message will appear upon validation, but no restriction is imposed. Error type validation means an error message will appear and you cannot proceed or save until the Eligibility Criteria is satisfied.

Solve for Payment

You can calculate a payment for a quote using an interest rate. Using a simple interest

calculation, Oracle Lease and Finance Management calculates a payment based on the interest rates you enter, or based on the rate as determined by the standard rate template you select. You can only enter interest rates you authorized in your user profile settings. You can enter multiple steps on a quote with different interest rates. The rates will be blended to calculate total payment amount. You can also specify different rates or select rate templates for individual quote lines and payment steps for those lines.

Solve for Missing Payment

You can solve for a single missing payment amount in a quote or a quote line. You enter the interest rate or select a standard rate template and amounts for all payment steps except the payment amount you want to calculate. Oracle Lease and Finance Management calculates the amount of the step with the missing payment. You can only enter interest rates if you are authorized in your user profile settings.

Solve for Yield

If you know the amount of the payment a prospect wants to pay, you can enter the payment amounts in one or more payment steps, and Oracle Lease and Finance Management will calculate the yields and interest rate.

Target Rate

If you want to calculate the payment based on one of the calculated yields, such as Pre-Tax IRR, you can select the yield type, the target rate, and enter the other payment details, such as frequency and advance/arrears. Oracle Lease and Finance Management will calculate the payment amount. You can only use this method for level payments. Third party users (through the Vendor Self-Service origination module) are not allowed to Target Rates.

Solve for Down Payment

This pricing method calculates down payment amounts, given the interest rates and other pricing factors defined for each asset. The resulting amounts are summed up and displayed at the quote level.

Solve for Subsidies

This pricing method calculates subsidy amounts, given the interest rates and other pricing factors defined for each asset. The resulting amounts are summed up and displayed at the quote level.

Solve for Trade In

This pricing method calculates trade-in amounts, given the interest rates and other pricing factors defined for each asset. The resulting amounts are summed up and displayed at the quote level.

Solve for Financed Amount

This pricing method calculates maximum financed amounts, given the interest rates and other pricing factors defined. The resulting amounts are summed up and allocated to configuration lines based on percentages that you specify.

Pricing Controls

Oracle Lease and Finance Management uses pricing controls to enhance your ability to enforce pricing policies for different users, customers, assets, vendors, or deal types. You can set up pricing rules and apply them to selected pricing objects to determine when certain pricing tools will be employed and whether standard values can be updated.

Oracle Lease and Finance Management uses the following pricing controls:

Pricing Rule	Function
Eligibility Criteria	You can associate eligibility criteria to business objects that determine the conditions for which that object can be used. Eligibility criteria may be determined for Financial Products, End of Term Options, Standard Rate Templates, Lease Rate Sets, etc. When you select these items during quoting, the eligibility criteria will filter the list of values the user may select from based on how the attributes of the quote compare to the criteria values.
Vendor Program Agreements	Vendor Program Agreements allow you to set up conditions that apply to estimates, quotes, lease applications and contracts that are originated in association with a particular vendor. You can use a Vendor Program Agreement to: 1) control values available for selection on a quote or lease application and 2) determine default terms and conditions that apply to contracts.

Pricing Rule	Function
Structured Pricing Authority for Users	Through profile options, you control the ability of internal and third party users to: 1) view some types of pricing information such as yields, 2) update rates, item residuals and end of term values, and 3) enter customized payment structures rather than select a standard, preset pricing option.

Eligibility Criteria

Eligibility criteria are associated to business objects to select or restrict the conditions for which the objects can be used. Eligibility criteria can be determined for end of term options, standard rate templates, lease rate sets, vendor programs and financial products and adjustment matrices. You set up criteria categories to be used to define eligibility criteria. After setting up the criteria category, you decide which of the pricing business objects you want to restrict based on the category. For example, you can set up a criteria category of Deal Size Maximum. You may want to restrict the use of standard rate templates and rate cards by the Deal Size Maximum category, but you may not use Deal Size Maximum to restrict Vendor Program selection for a quote.

When you create new objects, you can assign values to the category that restrict the use of the object to values within the category. For example, if you assigned Deal Size Maximum as a criteria category on standard rate templates, when you create new rate templates, you can enter a Deal Size Maximum value for the category. When the user views a list of rate templates on a quote, the rate templates with the Deal Size Maximum value that is less than the deal size of the quote will not be available.

To set up eligibility criteria, see: *Create Criteria Categories, Oracle Lease and Finance Management Implementation Guide*.

Subsidies

This chapter covers the following topics:

- Overview
- Subsidy Business Process Flow
- Authoring Contracts with Subsidies
- Subsidy Pools

Overview

You can set up subsidies and associate them to an asset. A subsidy is an amount provided by a third party to a lessor to increase the lessor's margin on a deal. Subsidies provided on a lease between a lessor and a third party either supplement the lessor's income or adjust the rate charged to the lessee.

In Oracle Lease and Finance Management, subsidies are selected at the asset level during the contract or quote authoring process. Before subsidies can be selected, they must be created and defined.

Subsidy formulas in Oracle Lease and Finance Management can be modified. Oracle Lease and Finance Management recognizes the following two main subsidy types:

- Discount
- Rate

Discount Subsidy

A discount is an amount provided to a lessor by a third party vendor that reduces the acquisition costs paid by lessor for leased equipment. These direct discounts to the lessor may or may not be disclosed to the lessee.

Rate Subsidy

A rate subsidy is an adjustment on the borrowing interest rate paid by a lessee to a lessor over time. Vendors and manufacturers may offer subsidies to a lessor in exchange for a reduction in the interest rate paid by customers for the lease of equipment. Rate subsidies are often billed to the third party by the lessor and amortized as income over the duration of the contract.

Subsidy Benefits In Oracle Lease and Finance Management

Use of subsidies in Oracle Lease and Finance Management provides lessors the following benefits:

- Attracts business by collecting subsidies from partners to reduce interest rates on leases and loans
- Accepting subsidies induces business prospects to lease rather than purchase
- Allows application of subsidies to specific internal organizations, industries, equipment items, or credit qualities
- Allows configuration of calculations and accounting for subsidies
- Allows vendors and manufacturers to obscure equipment price discounts from the market to lessen negative impact on industry prices

Subsidy Business Process Flow

The following table describes the business process flow in Oracle Lease and Finance Management for subsidies.

Oracle Lease and Finance Management Subsidy Business Process Flow

Step	Action	Description
1	Set Up Subsidies	Creates and define new subsidies or maintain previously-defined subsidies
2	Set Up Subsidy Criterion	Define subsidy criteria to limit and restrict the use of subsidies to specific deals.

Step	Action	Description
3	Select Subsidies on Lease Quotes or Contracts	Subsidies are associated to a lease quote or contract at the asset line level. Subsidy details are entered.
4	Generate Subsidy Adjusted Yields	Oracle Lease and Finance Management calculates total subsidy amounts for all asset lines in a quote or contract prior to stream generation.
5	Adjust Fundable Amounts	Fundable total is reduced for vendor discounts.
6	Generate Subsidy Accrual Streams	Subsidy accrual streams are generated by Oracle Lease and Finance Management
7	Maintain Subsidy Accounting Classifications	Subsidy is classified by type for accounting purposes.
8	Bill Subsidy to Third Parties	Oracle Lease and Finance Management creates a Receivables invoice to any third parties to bill a subsidy due from lessor.
9	Book Assets at Adjusted Book Value	Oracle Lease and Finance Management transfers assets at an adjusted cost.
10	Process Subsidy on Termination	In the case of early termination of an asset, associated subsidies are either refunded to the provider or the subsidy is accelerated so that total subsidy income is accounted for before termination.

Step	Action	Description
11	Process Subsidy During Contract Revision	If a contract is revised, Oracle Lease and Finance Management copies back any modifications or additions in subsidies to the original contract.

Authoring Contracts with Subsidies

This section includes the following topics:

- Subsidy Setup
- Configurable Subsidy Accounting
- Subsidies at the Asset Level
- Calculating Subsidy Amounts
- Including Subsidies in the Yield Calculation
- Collecting Subsidies
- Viewing Subsidies

Subsidy Setup

Before subsidies can be associated to an asset in contract or quote authoring, they must be created and defined. To set up subsidies, see *Set Up Subsidies, Oracle Lease and Finance Management Implementation Guide*.

Configurable Subsidy Accounting

This section includes the following topics:

- Configurable Accounting
- Early Termination of Subsidy

Configurable Accounting

After you select the subsidy to associate to an asset, Oracle Lease and Finance Management generates the appropriate accounting for that subsidy during booking. For

discount subsidies, Oracle Lease and Finance Management transfers assets to Oracle Assets at the adjusted book cost for the discount amount.

Set up the accounting templates and define streams in your financial product to account for discount and rate subsidies.

Set up discount subsidies to transfer assets to Oracle Assets at the adjusted book cost at the discount amount.

When setting up rate subsidies, Oracle Lease and Finance Management amortizes the revenue stream for accrual accounting. When the lessor generates the accrual stream, Oracle Lease and Finance Management maintains reference to the subsidy accrual stream type so accrual amounts can be applied to separate accounts.

Once the product and stream types have been set up, you select the subsidy to be associated with the asset on the contract and Oracle Lease and Finance Management generates the appropriate accounting.

For information on streams, see *Define Streams and Pricing, Oracle Lease and Finance Management Implementation Guide*.

For information on accounting templates, see *Define Lease Accounting Templates, Oracle Lease and Finance Management Implementation Guide*.

Early Termination of Subsidy

When you terminate an asset with subsidies before contract expiration, Oracle Lease and Finance Management does not include the subsidy amount in termination quotes. Oracle Lease and Finance Management determines if the subsidy must be paid back to the provider based on the subsidy setup for recourse.

If you set up a subsidy so the provider has recourse, you can define the refund basis and a formula to calculate the refund amount to be paid back to the subsidy provider.

If a subsidy does not have to be repaid, Oracle Lease and Finance Management accelerates the recognition of any outstanding subsidy income at the point of termination.

Subsidies at the Asset Level

Subsidies are associated to individual assets when authoring lease quotes or contracts. Oracle Lease and Finance Management provides lessors the flexibility to associate subsidies to all the assets on a lease contract or quote, or to associate them to individual assets.

Lessors select one or more subsidies for each asset from the list of applicable subsidies and then define the subsidy vendor. You can define what subsidies are applicable when you set up subsidy criterion. During contract activation, Oracle Lease and Finance Management booking validations check whether a subsidy is valid for the selected contract and customer.

To select subsidies when authoring a lease contract, see *Selecting Subsidies*.

To add subsidies when authoring a lease quote, see [Add Subsidies to a Quote](#).

Calculating Subsidy Amounts

Lessors can define the basis on which the subsidy amount is calculated by either specifying a fixed amount or by calculating the amount based on a formula, a percent of the asset cost, or rate points. You can also set limits based on the maximum financed amount or the maximum subsidy amount.

Because changes to contract assets and values may change the subsidy amount, Oracle Lease and Finance Management automatically recalculates the subsidy amounts each time you update the Asset Subsidies page.

For subsidies taken as equipment discounts, Oracle Lease and Finance Management calculates and displays the adjusted asset cost while maintaining the original equipment cost for the asset. The total contract subsidy is displayed after being applied to each asset.

During an asset split, or any process that employs the asset split feature, the subsidy stream is split so each asset maintains the same proportion of subsidy income. Subsidies are also recalculated during book revisions.

You can override the calculated subsidy amount by entering a subsidy amount during asset creation in the original bookings or rebooking revisions. If the entered amount is different than the calculated amount, a warning message will be generated to inform you of the difference.

Including Subsidies in the Yield Calculation

The yield or payment calculation includes the subsidy in the yield. Both subsidized and unsubsidized yields are displayed. The subsidized yield can be used to target restructure and renewal quotes.

Collecting Subsidies From Vendor

Lessors have the following two options for collecting subsidies from the vendor:

- Reduce funding for vendor discounts
- Bill third party for subsidies

Reduce Funding for Vendor Discounts

You can reduce the funding amount payable to the vendor by the amount of the subsidy. Oracle Lease and Finance Management generates payable invoices displaying the subsidy amount by stream type to manage subsidy performance and accounting.

For information on funding, see [Funding](#), Chapter 13.

Bill Third Party for Subsidies

You can bill any third party for the amount of the subsidy. At booking, Oracle Lease and Finance Management generates a receivable invoice to bill the subsidy providers. Each subsidy is maintained as a separate line on the receivable notice with reference to the stream type to manage subsidy performance and accounting.

Selecting Subsidies

The following procedure shows how to select subsidies at the asset level when authoring a contract.

Prerequisites

Must have created a contract with an asset.

Must have created a subsidy

The third party must be set up and associated to the contract.

Steps

Perform the following steps in the Assets page of the Contract subtab:

1. Once an asset is created, click **Subsidies** in the Properties region of the Assets page.

The Asset Subsidies page appears.

1. Select the subsidy and the party.
2. If the selected subsidy amount needs to be changed for this contract, you may enter a new amount in the Override Amount field.
3. Optionally, to add payment terms for refunds, click **Party Refund Details**.

The Create Subsidy Refund page appears.

1. Enter payment terms to disburse subsidy refunds.
2. Click **Create**.

Viewing Subsidies

If subsidies are set up to be viewable, customers and vendors view the Subsidized Cost of the Asset in Customer Self-Service and Vendor Self-Service. If the subsidies are not viewable, then Lease Center users cannot see the subsidies, but can see the unsubsidized cost.

Subsidy Pools

Overview

Vendors sometimes create marketing programs, which provide subsidies for their partners. The partner may be required to monitor subsidy usage so that it does not exceed the authorized program budget. Subsidy Pools are used to manage, control, and account for the use of subsidies. They help ensure the lessor does not exceed their authorized budget.

Oracle Lease and Finance Management enables you to:

- Define subsidy pool parameters (such as timeframes and budget amounts).
- Manage a subsidy pool by reporting subsidy usage and the subsidy pool balance, and then modifying the subsidy pool as necessary.
- Control the use of subsidies in quotes and contracts.
- Approve subsidy pools before downstream transactions are permitted.

In Oracle Lease and Finance Management, there are two types of subsidy pools:

- **Budget Pools** – These pools are for tracking and controlling subsidy usage in the context of a budget and timeframe. When subsidies are associated to budget pools, the subsidy's usage will be limited to the budget amount and timeframe of the respective budget pool. When a subsidy is used in a transaction (e.g., a quote or contract), the system checks that the transaction falls within the pool's effective dates, and that the transaction subsidy amount is less than the remaining pool balance.
- **Reporting Pools** – These pools are for monitoring purposes only. Although they serve as parents to other pools (either budget or reporting) in a parent/child relationship, they do not control or limit subsidy usage. In addition, although you can associate a budget pool or another reporting pool with a reporting pool, subsidies cannot be directly associated with a reporting pool.

The following table describes the subsidy pool business process flow in Oracle Lease and Finance Management.

Action	Description
1. Create a Budget Subsidy Pool	Create and define a budget subsidy pool. Enter header information and budget line items.

Action	Description
2. Associate Subsidies to a Subsidy Pool	Subsidies can be associated to subsidy pools.
3. Approve and Activate Subsidy Pools	Once created, subsidy pools can be activated or rejected through the approval process.
4. Create Subsidy Pool Transactions	Specific quote, lease application, and contract events generate subsidy pool transactions.
5. View Subsidy Pools	Subsidy pool information can be viewed after a subsidy pool is created.
6. Update Subsidy Pools	Existing subsidy pools can be updated.
7. Create a Reporting Subsidy Pool	Reporting Pools can be created anytime.
8. Create a Subsidy Pool Usage Report	Report usage and remaining pool balances

Subsidy Pool Procedures

Oracle Lease and Finance Management enables you to perform the following subsidy pool tasks:

- Search for Subsidy Pools
- Create Subsidy Pools
- Update Subsidy Pools
- View Subsidy Pool Details
- Create and Update Subsidy Pool Budget Lines
- Associate Subsidies to a Subsidy Pool

Search for Subsidy Pools

You can search for subsidy pools in the Subsidy Pool Search page by selecting the Pool Type (Budget or Reporting) and entering one other parameter. The other parameters are: Name, Currency, Status, and Effective Dates.

You can search for subsidy pools across operating units provided the OKL: Subsidy Pool Global Access profile option is set to Yes.

Create Subsidy Pools

Subsidy pools are created from the Create Subsidy Pool page. From the list of values, select the Pool Type (Budget or Reporting) you want to create and click Go. In the Create Subsidy Pool page, enter the subsidy pool parameters described in the table below.

The following table describes subsidy pool parameters.

Field	Description
Short Description	Short description of the subsidy pool.
Description	Long description of the subsidy pool.
Parent Pool	Name of the parent pool, for which other reporting or budget pools may be children.
Type	Type of subsidy pool: Budget or Reporting.
Status	Status of the subsidy pool: New, Active, Pending (Approval), Approved, Rejected, Cancelled, or Expired.
Currency	Pool currency (e.g., US Dollars, Euros).
Currency Conversion Type	Currency Conversion Type (i.e., Corporate or Spot). This is the basis for converting the transaction (quote or contract) currency to the subsidy pool currency.
Reporting Pool Limit	This is a soft budget that applies only to a reporting pool. It is not used to control any transactions or for calculating remaining balances. It is merely a reference for a high level evaluation of aggregate subsidy/subsidy pool usage.
Budget	A budget is required for every Budget Subsidy Pool. It is used to limit the aggregate amount of subsidies that may be used over a given time period.

Field	Description
Remaining Balance	The remaining balance is calculated as the budget less all committed transactions (approved quotes and booked contracts). The budget is the sum of all approved Budget Additions and Reductions.
Effective From Date	You can create subsidy pools with initial effective dates in the future.

When the subsidy pool parameters are entered you have the following three options:

- Cancel your inputs – Click Cancel to erase your inputs and go to the Subsidy Pool Search page.
- Save and Add Details – Click Save and Add Details to create the subsidy pool, and go to the General Tab, where you can add more information about the pool.
- Apply – Click Apply to create the subsidy pool and go to the Subsidy Pool Search page, where you can submit the pool for approval or cancel it.

Update Subsidy Pools

Subsidy pools are updated from the Subsidy Pool Details page. To access the Subsidy Pool Details page, click the Subsidy Pool Name. From the General or Budget Lines subtabs, click the Update icon to access the updatable parameters.

The following rules apply to updating subsidy pools:

- Reporting Pool parameters can be updated at any time.
- All Budget Pool parameters can be updated when they have a status of New.
- After a budget pool is submitted for approval, only the following fields can be updated: Parent Pool Name, Short and Long Descriptions, and the Effective To Date.
- New budget lines can be added to add or reduce the budget balance.
- New subsidies can be associated per the association rules (see end of this chapter).

After subsidy pools are updated, the updates can be applied and the pools can be submitted for Approval. The following rules apply to subsidy pool Approval:

- Reporting subsidy pools do not have a status, and do not require approval.

- Budget subsidy pools do have a status, and require approval before they are activated.
- Budget Pools are created with a status of New.
- To be submitted for Approval, a subsidy pool needs a budget line item and an associated subsidy.
- After being submitted for approval, the Budget Pool may be activated or rejected
- A Budget Pool can be updated both before and after activation.
- A Budget Pool with the status of Pending Approval cannot be updated.

View Subsidy Pool Details

You can view subsidy pool details by clicking the pool name in the Subsidy Pools page. Subsidy pool details include the following:

For Budget Pools:

- General Information – displays pool type, descriptions, currency, currency conversion type, parent pool, budget and status.
- Budget Lines – displays budget amounts and details, by line item.
- Subsidies – displays information for all subsidies associated to the respective pool.

For Reporting Pools:

- General Information – displays pool type, descriptions, currency, currency conversion type, parent pool, and pool limit.
- Budget Lines – not applicable.
- Subsidies – not applicable.

Create and Update Subsidy Pool Budget Lines

To access, create, or update subsidy pool budget lines, click the respective Budget Subsidy Pool from the Subsidy Pool details page. Click Budget Lines to view budget line details. Click Update to update or add new budget lines.

If you are creating the initial budget line item, input the budget amount, as well as a respective note about the line item. The initial budget is submitted for approval only when the subsidy pool is submitted for approval.

If you are increasing or decreasing the budget, click Add Another Row and enter new budget line details. Apply or Cancel your changes. Clicking Apply creates a line item with the status of New. To submit the line item for approval, click Submit for Approval

icon from the Budget page. To display and access the line item Submit for Approval icon, click the update button on the Budget Lines page.

The following rules apply to updating budget lines

- Only budget subsidy pools have budget lines.
- Reporting pools limits are defined on the General page, not on the Budget Lines page.
- You cannot update a subsidy pool budget line if the budget line status is either Active or Pending Approval.

Associate Subsidies to a Subsidy Pool

Subsidies are associated to Budget Subsidy Pools in the Subsidy page. In the Update Subsidy page, use the Subsidy Pool list of values to select the subsidy pool to which the subsidy is to be associated. The Subsidy Pool Status and Effective Dates are displayed.

The following rules apply to associating a subsidy to a subsidy pool:

- Subsidies can only be associated to Budget Pools, not Reporting Pools.
- You can associate more than one subsidy to a pool.
- You can associate subsidies defined in multiple operating units to a single Budget Subsidy Pool.
- Once a subsidy is associated to a pool, it cannot be disassociated.
- Either the subsidy start date or end date must fall within the subsidy pool start date or end date

Oracle Lease and Finance Management determines if the subsidy currency is the same as the subsidy pool currency and, if not, verifies that the subsidy currency conversion factor is defined. You cannot delete a subsidy pool after it has been activated. Approval is not required to associate subsidies when a subsidy pool is Active. When you associate a subsidy to a subsidy pool, the status automatically becomes Active.

Part 4

Lease Quote to Credit Decision

Lease Sales Quotes

This chapter covers the following topics:

- Overview
- Create a Lease Sales Quote
- Converting an Estimate into a Lease Sales Quote

Overview

After creating a lease opportunity, you can create a standard lease sales quote. You create lease sales quotes by selecting specific inventory items, fees, services, and other quote adjustments to reflect the most accurate possible deal. Then you can obtain pricing approvals and indicate prospect acceptance on a lease sales quote.

You create lease sales quotes for pricing based on a configuration. The configuration must include inventory items and item amounts, along with other financed items such as financed fees, capitalized fees, or rollover fees.

Lease sales quotes can also be created by converting estimates in a lease opportunity. You can also duplicate a lease sales quote to create a new one.

Create a Lease Sales Quote

The process for creating a lease sales quote is as follows:

1. Enter Lease Sales Quote Details
2. Enter Lease Sales Quote Configuration
3. Enter Pricing Options
4. Enter Lease Sales Quote Finance Adjustments
5. View Lease Sales Quote Results

Enter Lease Sales Quote Details

You can define lease quote details not defaulted from a lease opportunity in the Create Lease Quote page. After lease sales quote details have been entered, you have the following three options.

- Click Apply to save details and return to the Quotes tab of the Lease Opportunity Details page.
- Click Save and Add Details to save details and go to the General tab of the Lease Quote Details page.
- Click Cancel to delete your entered details and return to the Quotes tab of the Lease Opportunity Details page.

When saving lease sales quote details, ensure that the Expected Start Date is within the effective dates of the lease opportunity or you will receive an error message to correct this.

The following table describes lease sales quote details.

Lease Sales Quote Details

Field	Description
Valid From	Defaults to current date. Must be on or after the date in the lease opportunity.
Valid To	This date is derived from the OKL: Number of Days a Sales Quote Remains Valid profile option. It can be updated.
Expected Start Date	Defaults to current date. Must be after the Delivery Date.
Expected Delivery Date	Defaults from the lease opportunity. Must be before or on the Valid From date of the lease opportunity, and before or on the Expected Start Date.
Expected Funding Date	Defaults from the lease opportunity. Must be before or on the Valid From date of the lease opportunity.

Field	Description
Pricing Method	Applies to pricing method for the lease sales quote. For information on pricing methods, see Pricing.
Product	<p>List of values with non-reporting type financial products that are active on the expected start date entered. The list is also dependent on eligibility criteria defined on the products.</p> <p>If the vendor program selected on the lease opportunity has associated financial products, the list will reflect only those financial products associated to the program.</p>
Term	Term of the contract in whole months.
End of Term Option	<p>List of values of the end of term options belonging to the product selected, and active on the start date entered. The list of valid end of term options will also depend on the eligibility criteria values assigned.</p> <p>If the vendor program selected on the lease opportunity has associated end of term options, the list will reflect those associations.</p>
Legal Entity	Identifies the first party on the contract. This field is mandatory, if you select Upfront Tax to calculate tax.
Tax Stream Type	List of values displaying stream types of the stream generation template associated to the product selected. The value will be used to create fees for any financed upfront taxes.
Asset Usage Details (Amount, Category, Industry, Location)	Default in from lease opportunity. Can be updated.
Property Tax	Default in from lease opportunity. Can be updated. Data entered is defaulted to each asset created and each asset can be updated. The values are used to determine the processing of property tax changes for the quote assets.

Note: Oracle Lease and Finance Management derives the legal entity from the program agreement with the vendor for the sales quotes that you create using Vendor Self Service.

Enter Lease Sales Quote Configuration

Configuration includes entering items to be financed as part of the deal. You can enter asset lines or fee lines for Financed, Capitalized, or Rollover fee types. You can also duplicate configuration lines, except for rollover fee types, to create new lines. To create a new configuration line, you select the line type and click Go.

The following details will be defaulted from the lease opportunity.

- Upfront Tax Treatment - includes Bill, Finance, or Capitalize and is for assets only.
- Installed Site
- Supplier - from Oracle Purchasing suppliers.

You can enter Asset Details, Item, Name, and Cost. Other details default in but can be updated for each asset line in the configuration. Asset Add-Ons can also be included in the configuration, such as Item, Cost, Supplier, and Notes.

You can also enter other financed amounts into the configuration as Financed Fees by entering the fee details. After you enter your configuration asset lines, end of term values are looked up based on the end of term option you selected on the quote details page. If you are authorized for structured pricing privileges, you may update the end of term option values.

Enter Pricing Options

The Pricing tab contains the following three main functions.

1. Entering or selecting pricing options
2. Entering additional fees and services
3. Viewing and processing any upfront tax

Pricing Options

Once a lease sales quote configuration is created, you can enter pricing details to price the configuration. Pricing details are entered in the Pricing tab. Pricing options include rate cards or standard rate templates. You must select an option or enter manual details based on the pricing method you selected on the Quote Details page. You can either select a standard pricing object or opt to do structured pricing if you are authorized in your user profile settings.

The pricing option selected on the quote applies as a default to all financed items. The list of available pricing options is based on the pricing method, the eligibility criteria for the pricing objects and the quote information available at the time the pricing option is selected.

You can override the pricing object selected at the configuration line level, but the object must be consistent with the quote values, the line values, and the pricing method selected on the quote. If you enter a rate set with levels, the levels will default the structure of the payments. You then enter the remaining pricing details before you can complete pricing. The details you enter will depend on the pricing method you selected.

Once pricing details have been entered, you click Validate to run the validation checklist or Validate and Price to run the validation checklist and immediately calculate pricing. After Oracle Lease and Finance Management validates all entered details, pricing results appear in the Results tab page. If validation errors exist, they are displayed in the Validations tab page. If the quote is updated and validated, the old validations are cleared out and the Validation tab is hidden from view. The validation checklist used is based on the QA checklist assigned to your organization unit in the Quoting System Options set up page.

For more information on pricing, see Pricing, page 5-1.

The following table describes pricing methods and options.

Lease Sales Quote Pricing Options

Type	Pricing Option	Financing Cost Adjustment	Additional Inputs
Solve for Payment	Rate Template	Down Payment	None
	User Input Rate	Trade In	
		Subsidy	
Solve for Yield	None	Down Payment	Number of payments for all levels
		Trade In	Amount of payments for all levels
		Subsidy	
Solve for Missing Payment	Rate Template	Down Payment	Number of payments for known levels
	User Input Rate	Trade In	Amount of payments for known levels
		Subsidy	

Type	Pricing Option	Financing Cost Adjustment	Additional Inputs
Target Rate	User Input Rate	Down Payment	Yield Type
		Trade In	Yield Value
		Subsidy	
Rate Card	Rate Card Set	Down Payment	You enter a rate to match rate card sets
		Trade In	
		Subsidy (asset cost or fixed type only)	
Solve for Financed Amount	Rate Template	Down Payment	Number of payments for all levels
	User Input Rate	Trade In	Amount of payments for all levels
		Subsidy (rate or fixed type only)	
Solve for a Subsidy	Rate Template	Down Payment	Number of payments for all levels
	User Input Rate	Trade In	Amount of payments for all levels
Solve for Down Payment	Rate Template	Trade In	Number of payments for all levels
	User Input Rate	Subsidy	Amount of payments for all levels
Solve for Trade In Amount	Rate Template	Down Payment	Number of payments for all levels
	User Input Rate	Subsidy	Amount of payments for all levels

You can also select pricing options at the asset level. The following table describes pricing options at the contract and asset levels.

Contract and Asset Level Pricing Options

Pricing Method	Quote Level	Asset Level
Solve for Payment	You can select a rate template or enter a rate for the quote. Each configuration line should be solved for a payment based on the defined quote level interest rate. You may only enter a rate if you are authorized for structured pricing.	You can select a rate template or enter a rate for a configuration line. The rate defined for that line is used to determine the payment for the line. All other lines use the rate template or rate defined for the quote.
Solve for Yield	Enter one payment that applies to all assets. Once the quote level interest rate is calculated, the total payment is distributed to each line in the configuration based on the interest rate.	You can define a payment for an individual configuration line and a quote level payment that applies to the remaining configuration lines with no separate payments. All payments are used together to determine the quote level interest rate. The quote level interest rate is applied to the configuration lines with no separate payments defined to distribute the quote level payments down to each configuration line.
Target Rate	You can only target yield at the contract level.	No asset level yields are available.
Rate Card	You select a rate card for a contract and all rates are looked up on that rate card. If you are authorized for structured pricing, you can enter a quote level lease rate factor.	You can select a rate card for an individual configuration line and rates are looked up for that line from the card. If you are authorized for structured pricing, you can enter a lease rate factor.

Pricing Method	Quote Level	Asset Level
Solve for Missing Payment	<p>You select or enter rates and payments for the quote. At least one payment must be left blank. The missing payment is calculated. Based on the selected or entered rate, the payments are distributed to the individual configuration lines.</p>	<p>You can enter payments for individual configuration lines. You then enter or select a rate for the configuration line. You can only put in a rate if at least one payment is missing for an individual line. If you enter payments for a line, you must also enter the payments for the line. At least one line must have an empty row. Rates are blended across all assets.</p> <p>Lines with no separate payments and rates are treated as one line.</p>
Solve for Subsidy	<p>You select or enter a rate and enter payments for the quote. The amount of the subsidy is determined.</p> <p>Based on the quote level rate, payments are distributed to the asset lines.</p> <p>Subsidies do not apply to configuration fees.</p>	<p>You can select or enter a rate for individual assets, but the subsidy amount is solved for the quote. Rates are blended to determine the quote subsidy amount. You may also enter separate payments for an asset.</p> <p>Lines that do not have a separate payment must have the quote level payment distributed to them based on the quote level rate entered or selected.</p>

Pricing Method	Quote Level	Asset Level
Solve for Down Payment	<p>You select or enter a rate and enter payments for the quote. The amount of the down payment is determined.</p> <p>Down payments do not apply to configuration fees</p>	<p>You can select or enter a rate for individual assets, but the down payment amount is solved for the quote. Rates are blended to determine the quote down payment amount. You can also enter separate payments for a line.</p> <p>Lines that do not have a separate payment must have the quote level payment distributed to them based on the quote level rate entered or selected.</p>
Solve for Trade In	<p>You select or enter a rate and enter payments for the quote. The amount of the trade in is determined</p> <p>Trade Ins do not apply to configuration fees.</p>	<p>You can select or enter a rate for individual assets, but the trade in amount is solved for the quote. Rates are blended to determine the quote trade in amount. You can also enter separate payments for a line.</p> <p>Lines that do not have a separate payment must have the quote level payment distributed to them based on the quote level rate entered or selected.</p>

Pricing Method	Quote Level	Asset Level
Solve for Financed Amount	<p>You select or enter a rate and payments for the quote. You indicate for each asset created the percent of the total cost for that asset. Total percent for all assets must equal 100%.</p> <p>Financed amount can only include asset lines, not configuration fees</p>	<p>You can select or enter a rate for individual assets and an asset cost for some, but not all assets. You must spread the amount over the assets with no specified cost by proportioning 100% over the assets. The total financed amount is solved for the entire quote. This amount represents the financed amount of the assets with no cost already specified. The amount is distributed to those assets based on the percent distribution specified.</p> <p>If you select individual assets and enter an amount for the asset, you cannot also enter a percentage for that asset.</p>

Once pricing details have been entered, and the quote has been priced, the results provided depend on the pricing method. Pricing results are displayed in the Results tab. Along with providing a set of yields, Oracle Lease and Finance Management will display specific results for each differing pricing method. The following table shows pricing results for the different pricing methods.

Pricing Method Results

Type	Result
Solve for Payment	Payment amount per period
Solve for Yield	No additional details other than yields
Solve for Missing Payment	Missing payment amount for designated payment step
Target Rate	Payment amount per period
Rate Card	Payment amount per period

Type	Result
Solve for Financed Amount	Financed amount gross of adjustments
Solve for Subsidy	Total subsidy amount

Additional Services and Fees

You can add additional fees and services in the Pricing tab. These fees and services are not financed. The fees and services can also be updated or deleted. For more information about fees, see Fees.

Process Upfront Tax

You can view and process any applicable upfront tax. Click Calculate Tax to request a tax lookup. Results are grouped by asset. If you indicated that the tax should be financed, a new fee will be created for the tax amount and you must enter a payment for it. The stream type of the new fee will be derived from the stream type you identified in the lease opportunity details.

Enter Lease Sales Quote Financing Adjustments

Lease sales quotes have three types of financing cost adjustments: Subsidy, Trade In, and Down Payment. Before making a financing cost adjustment, you must have created at least one asset on the quote. A given asset can be associated to an adjustment only once. You can create only one Trade In or Down Payment adjustment line per quote.

The Adjustments tab page shows financing cost adjustment summaries. You can create, update, or delete adjustments on a quote as long as the quote status is not Pricing Approved or Pricing Complete. When you create an adjustment on a priced quote, the pricing results are deleted and the quote reverts back to an Incomplete status. You must reprice the quote for the new financing total.

Create a Subsidy Adjustment

In order to add subsidies to a quote, you must first set up subsidies in the Marketing tab. To create a Subsidy adjustment for a quote, select Subsidy as the Adjustment Type and click Go. On the Create Subsidy Adjustment page, you select the subsidy you want to apply from the list of values, then choose the assets to which the subsidy applies. Only assets meeting the subsidy's criteria will be available.

If you update a subsidy, all rows in the subsidized assets will be deleted. You need to reselect assets to ensure the assets match the new subsidy criteria. The Subsidy Amount is displayed as soon as the subsidy is selected for fixed and cost based subsidies. For rate-based subsidies, the Subsidy Amount is only displayed after pricing since the

amount is based on payments calculated.

You cannot apply the same subsidy to a given asset more than once.

Create a Trade In Adjustment

To create a Trade In adjustment, select Trade In as the Adjustment Type and click Go. On the Trade In Adjustment page, enter trade in details and select the assets to which the trade in applies. The trade in date is the associated line start date.

The Basis selected determines how the amount is determined. Following are the possible values for Basis.

- **Percentage of Asset Cost** - the amount entered is a percentage of the total asset cost. The value cannot exceed 100%.
- **Fixed** - the amount entered is the exact value of the trade-in adjustment. The amount cannot exceed the value of the total asset cost of the associated assets.

Click Quick Apply to associate all assets to the trade-in adjustment and distribute the amount based on asset cost. You can only create one trade-in adjustment per asset.

Additional Information: You cannot enter a trade in adjustment if the pricing method used is Solve for Trade In.

Create a Down Payment Adjustment

To create a Down Payment adjustment, select Down Payment as the Adjustment Type and click Go. On the Down Payment Adjustment page, enter down payment details and select assets to which the down payment applies. The Basis selected determines how the amount is determined. Following are the values for Basis.

- **Percentage of Asset Cost** - the amount entered is a percentage of the total asset cost. The value cannot exceed 100%.
- **Fixed** - the amount entered is the exact value of the adjustment. The amount cannot exceed the value of the total asset cost of the associated assets.

Click Quick Apply to associate all assets to the adjustment and distribute the amount based on asset cost. You can only create one down payment adjustment per asset.

The Amount field represents the per asset adjustment amount. The sum of this column must equal the overall down payment amount entered in the down payment details section.

Additional Information: You cannot enter a down payment adjustment if the pricing method used is Solve for Down Payment.

Update a Lease Sales Quote

Lease sales quote details can be updated if the quote is not accepted. If you update any items on the quote that effect the pricing, Oracle Lease and Finance Management provides you with a warning that your updates will result in the quote status reverting to Incomplete. Incomplete lease sales quotes must be approved before they can be accepted.

If the lease sales quote is used to submit a lease application for credit approval, the quote will be updated with the lease application number and status.

The Quote Number, Quote Template Number, and Expected Start Date fields cannot be updated.

Submit Lease Sales Quote for Approval

After a lease sales quote has been priced and the status is Complete, you submit the quote for pricing approval before it can be accepted. A configurable approval workflow is launched and enabled for the Oracle Approval Manager.

Approve Lease Sales Quote

Once a lease sales quote is submitted for Approval and the workflow is launched, the approver can approve the quote pricing. The status of the lease sales quote will be updated to Approved.

Approved lease sales quotes can still be updated. If they are updated, you will receive a warning that the quote status will revert to Incomplete. Incomplete quotes must be repriced before they can be approved.

Accept Lease Sales Quote

Once a lease sales quote is in Approved status, you can accept the quote. This indicates that the customer or prospect has accepted the quote. When a lease sales quote is in Accepted status, it cannot be updated.

To update an accepted quote, you must first Unaccept it. Select the Unaccept icon for the quote to revert to a status of Approved, then proceed with your update.

Converting an Estimate into a Lease Sales Quote

After you create a pricing estimate on a lease opportunity, using estimated values and inventory categories, you can follow the conversion process to turn the estimate into a standard lease sales quote. The process enables you to distribute estimated amounts over more specific asset and fee quote lines, or specify details for adjustments such as subsidies. You can create multiple quotes from the same estimate. All details entered for an estimate are defaulted to the lease sales quote.

After conversion, the lease sales quote will be displayed in the General tab. You can update the lease sales quote, but it must be priced again and approved before it can be accepted.

To begin the conversion process, select the estimate to be converted in the Estimates tab of the Lease Opportunity Details page. The conversion process contains the following steps.

1. Enter Quote Details
2. Enter Configurations Details
3. Enter Adjustment Details
4. Enter Additional Fees and Services

Enter Quote Details

All data from your estimate will default into the new lease sales quote. Defaulted data can be updated. Enter new quote details and proceed to configuration.

Enter Configuration Details

For configuration, you can create one or more asset lines from each estimate category. Select an Inventory Item and enter an amount. You cannot enter asset details during the conversion process.

Enter Adjustment Details

If your estimate contains adjustments, you can specify adjustment details. Instructions for the three types of adjustments are as follows.

1. **Subsidy** - Select one or more subsidies and distribute the subsidy estimate amount over the selected subsidies. Associate the subsidies to any assets in the configuration. Once a subsidy is calculated, the both the calculated amount and the estimated amount will be displayed.
2. **Down Payment** - Associate assets to the down payment.
3. **Trade In** - Associate assets to the trade in.

Enter Additional Fees and Services

If your estimate contains additional fees and services, you can specify the fee and service details. The following table describes this process by fee and service type.

Additional Fees and Services Description

Type	Description
Expense	You can select stream types for the stream purpose Expense. You can select the fee types Expensed or Absorbed. The amount of the estimated fee defaults in and you can associate assets and a supplier to the fee.
Fees	You can select the fee types Miscellaneous or Income. The amount of the fee payment defaults in and can be associated to assets. You can select stream types with the stream purpose Fee Payment.
Insurance	You can convert the insurance estimate to the lease sales quote estimated insurance line.
Services	The payment defaults in as a service payment and you can select a stream type with the stream purpose of Service Payment. You can select service items associated with the service estimate. To associate any expense or supplier to the service, you must update the service details from the appropriate quote page after conversion.
Usage	You can select a stream type with the stream purpose Usage and convert the usage estimate to a usage line. Select the usage line to enter usage payment details.

Credit

This chapter covers the following topics:

- Overview
- Lease Application Setup
- Lease Application Business Process
- Oracle Lease and Finance Management Credit Lines

Overview

You can manage credit exposure in Oracle Lease and Finance Management using one of the following methods:

- Lease Applications
- Credit Lines

Lease Applications

Lease applications are created and managed in Oracle Lease and Finance Management for the purpose of obtaining credit approval from Oracle Credit Management. A lease application contains both a lease sales quote and a credit application. Once a prospect has accepted a lease sales quote, you can convert the lease quote into a lease application, add customer credit data and pricing information and submit it for approval. You can also create a lease application without converting a lease sales quote.

A credit-approved lease application is used to create one lease contract. When you create a contract from a lease application, Oracle Lease and Finance Management uses associated Oracle Lease and Finance Management checklists and templates to default values on the contract and to validate the terms and credit recommendations to insure the contract is booked and the deal funded within the limits of credit approval.

Once the credit decision is approved, the decision and any other recommendations are

updated on the Lease Application and the submitter views the results. Applications with an Approved decision may be used to create lease contracts. Any recommendations that are conditions associated with the credit decision are updated on the associated Oracle Lease and Finance Management checklist and invoked during booking or funding of the contract to insure the conditions have been met.

If you want to change a lease application after it has already been approved or rejected by Oracle Credit Management, you can select to resubmit it. A new lease application is created and linked to the existing one. If you do not agree with the credit decision or credit recommendations, you can appeal a lease application. A new lease application is created and linked to the existing one. You can update lease applications created for appeals and resubmits. You can also withdraw an application up to the point where the credit decision and recommendations are finally approved.

Credit Lines

If you decide to extend credit through a credit line, the credit analyst may create and activate a Credit Line with an approved amount. The Credit Line may be associated to one or more contracts and checked for an available balance with each funding. Credit Lines may also have checklists. A checklist can be used for checking conditions prior to activating the Credit Line itself or associated with the Credit Line and used for each funding request tracked against it through a contract. You do not use a lease application to create or approve credit lines.

Lease Application Setup

Before you use lease applications, you must complete the following set up tasks.

- Create and Manage Credit Checklists
- Create and Manage Lease Application Templates
- Associate Lease Application Templates to Vendor Programs (optional)
- All set ups required for quoting (except pricing tools)
- All set ups required for Oracle Credit Management credit application processing

Create and Manage Credit Checklists

Credit checklists are created in Oracle Credit Management. You associate lease application templates to credit review checklists based on Credit Class and Review Type. When you submit a lease application for approval, a credit request is sent to Oracle Credit Management and Oracle Credit Management creates a credit application and credit folder. The Oracle Credit Management checklist, derived from the Credit Review Type and Customer Credit Classification associated to the Lease Application, determines the credit data required to evaluate an application, what score the credit

values are assigned, and what recommendations are automatically assigned to the credit folder based on the score.

To create a credit checklist, see the *Oracle Credit Management User's Guide*.

Create and Manage Lease Application Templates

Each lease application you create is based on a lease application template. The lease application template provides the following:

- Based on the credit review type and customer credit class associated with the lease application template, a checklist is selected in Oracle Credit Management upon submission of the lease application. The checklist determines a list of data points required to complete the credit case folder.
- A booking and funding checklist template is associated to the lease application template. This checklist is used during the booking and funding approval processes for any contract you create from a lease application based on the lease application template you selected.
- A contract template is associated to the lease application template. This contract template defaults terms and conditions onto the contract you create from the lease application based on the lease application template you selected.

You can attach eligibility criteria to a lease application template to restrict the use of the template based on your deal attributes.

Once you activate a lease application template, you cannot modify it without creating a new version, except to change the Effective To date.

The Lease Application Template process includes the following optional and mandatory steps:

- Create Lease Application Template
- Attach Eligibility Criteria to Lease Application Template
- Submit Lease Application Template for Validation, Approval, and Activation
- Version Lease Application Template
- Duplicate Lease Application Template
- Associate Lease Application Template to a Vendor Program

Create Lease Application Template

You create lease application templates in the Create Lease Application Templates page after navigating to **Setup > Origination or Operations > Credit > Lease Application Template**. Click Create to begin the procedure.

The following table describes fields for creating a lease application template.

Lease Application Template Field Descriptions

Field	Description
Operating Unit	<p>Operating unit assigned to the record.</p> <p>Note: The list of values includes operating units assigned to the MO: Security profile.</p> <p>Additional Information: The application displays the selected operating unit as the default in the subsequent pages irrespective of the value that you set for the MO: Default Operating Unit profile option.</p> <p>The selected operating unit restricts the valid list of values in applicable fields.</p>
Name	<p>Mandatory field for a short description of the lease application template.</p>
Credit Classification	<p>Assigned to a customer party in Oracle Trading Community Architecture (TCA). You can set up a default value in Oracle Credit Management to be used for parties that have not yet been assigned a credit classification. Based on the credit classification of the customer you select when you create a new Lease Application, templates with matching values may be used.</p>
Credit Purpose Review	<p>Select from a list of values based on review types you set up in Oracle Credit Management. You can also set up a default review type. Based on the credit review type you select when you create new Lease Applications, templates with matching values may be used.</p>

Field	Description
Valid From	An effective date is mandatory. Oracle Lease and Finance Management defaults to the current date, but you can change this. Based on the expected rental period start date you enter for new Lease Applications, templates with dates after this date may use the template.
Valid To	Must be after Effective From date. Based on the expected rental period start date you enter for new Lease Applications, templates with dates before this date may use the template.
Status	New, Active, or Under Revision for the overall template as assigned by Oracle Lease and Finance Management. Version statuses include New, Submitted for Approval, Active, and Rejected.
Industry Class & Code	Optional fields displaying a list of values from Oracle TCA. Based on the industry associated to a customer you select when you create new Lease Applications, templates with matching values may be used.
Contract Template	Provides terms and conditions that copy onto a new deal when the approved lease application created from the template is converted into a lease contract.
Lease Application Checklist	The checklist will provide all the validations that need to be performed when a contract associated with a lease application created from the lease template is booked or funded. There must be an overlap of at least one day between the effective days of the checklist and the effective days of the lease application template it is associated to.

Attach Eligibility Criteria to Lease Application Template

Attaching eligibility criteria to a lease application template restricts the use of the template according to the values and conditions you define. Values you enter when creating a new lease application are compared to the eligibility criteria values you enter

for a template to determine if the template can be used for a particular lease application deal.

Select the Eligibility Criteria tab in the Lease Application Template page and enter your eligibility restrictions. You can enter Eligibility Criteria Items, Criteria Effective Dates, and the Criteria Value or Value Range. Before you can use a Criteria Category and assign restricting values, the category must be set up for use with Lease Application Templates in order to select it.

Submit Lease Application Template for Validation, Approval, and Activation

When you have entered all lease application template details, you can submit the lease application template for approval before it can be used to create new Lease Applications. Oracle Lease and Finance Management will run validations to ensure that the checklist template has as least one effective date overlap with the lease application template effective dates. A failed lease application template will return a status of Invalid.

When a lease application template passes validation, a request is sent to the approver for approval of the template based on the approval hierarchy set up in Oracle Approval Manager (AME). Once everyone in the AME approval hierarchy approves the lease application template, it is activated by Oracle Lease and Finance Management and given a status of Active. A lease application template cannot become eligible for selection on a lease application or a vendor program agreement until it has an Active status. Modification of an associated contract template or checklist does not effect the status of a lease application template.

Version Lease Application Template

Once a lease application template is Active, you can't modify it, except to change the Effective Date, without creating a new version of the template. This insures that any deals you approved previously can still use the template version that was active on the date you approved any associated lease applications. Oracle Lease and Finance Management validates that lease applications used with previous template versions are not in Active, Withdrawn, or Cancelled statuses. All fields from the previous version are copied and you can change the Valid To date, Contract Template, Industry, Lease Application Checklist, and Description fields in the new version. All other fields cannot be updated.

Duplicate Lease Application Template

You can create a new lease application template by copying an existing lease application template. All fields except the template Number will be copied to the new template. You can update all details on the duplicated template. Duplicated templates must be validated and approved before they become active and available for use with new Lease Applications.

Associate a Lease Application Template to a Vendor Program

You can associate a lease application template to a vendor program to restrict the use of the template to deals associated with the program. The following restrictions exist on associating a template to a vendor program:

- Only one lease application template with a unique combination of Lease Application Type, Credit Review Type, Credit Classification, and Industry is allowed on a vendor program for an association date. This insures that a template can automatically be assigned based on the attributes you enter when creating new applications for a vendor program.
- Only Active lease application templates can be associated to a vendor program.
- Only lease application templates that belong to an Org Unit of Vendor Program Agreement can be associated to a vendor program.

Lease Application Business Process

You can create a lease application without using a lease sales quote as the source. The following table outlines the lease application process.

Lease Application Business Process

Step	Description
Create a Prospect	Create prospects in Oracle Trading Community Architecture (TCA).
Create Lease Application Template	See Create Lease Application Template.
Create and Associate Credit Checklist	Credit Checklists are created in Oracle Credit Management.
Associate Prospect to Lease Application	A prospect must be associated to the Lease Application.
Associate Active Vendor Programs	See Associate a Lease Application Template to a Vendor Program.
Select Valid Active Lease Application Template	You must select a valid lease application template with a status of Active.

Step	Description
Enter Lease Application Deal Details	Details can include configuration data and financing adjustments information such as trade-ins, down payments, subsidies, and payment details
Enter Payments and Calculate Yields	Enter credit application details as required by the selected lease application template. After entering all details, calculate the yield.
Approve Lease Application Pricing	See Pricing.
Accept Pricing	See Pricing.
Validate Lease Application	See Submit Lease Application Template for Validation, Approval, and Activation.
Submit for Pricing Approval	If you modify a lease application's pricing details, you must obtain pricing approval and customer acceptance again to complete the pricing process.
Accept Lease Application	Update prospect acceptance of the lease application.
Submit Completed Lease Application for Credit Evaluation	Credit can approve the lease application for the original offer and provide alternate approved offers. You can select an offer and copy the approved terms to a contract.
Convert Lease Application Into a Contract	Terms and conditions defined on the contract template associated to the lease application template flow to the new contract.
Book the Contract	See Book the Contract.
Fund the Contract	When you approve funding, Oracle Lease and Finance Management validates the funding request and generates a report to identify passed and failed conditions on the lease application so you can decide to approve or reject the funding request.

Create a Prospect

Prospects for a lease sales quote are created in Oracle Trading Community Architecture. To create a new prospect, see the *Oracle Trading Community Architecture User Guide*.

Create Lease Application

You can create a lease application to request credit approval for a specific deal. Deal details for a lease application can come from an existing accepted lease sales quote, or you can enter a new deal for a lease application. If a lease application originates from an accepted lease sales quote, then the lease application deal details, such as configuration and pricing will come from the lease sales quote. You can also create all lease application details without referring to a lease sales quote.

A lease application template must be associated to every lease application created. When you create a lease application, Oracle Lease and Finance Management matches the values you enter for creating the lease application to the active templates and displays a list of eligible lease application templates for your selection. Once you have entered lease application details, you must validate it, price it, and accept it before you can submit it for a credit decision. The pricing must be approved before you can mark it for acceptance. You can also save lease applications that are in progress and update them before submission for approval.

When you submit a lease application to credit, Oracle Lease and Finance Management submits a credit request and a credit application and case folder are created in Oracle Credit Management. The credit review type and credit classification on the lease application determine a valid credit review checklist in Oracle Credit Management. Oracle Credit Management used the credit review checklist to determine all of the required data necessary to complete the credit case folder. The data points can come from information you enter on a lease application, from the customer party record or from any other source you set up. Only completed credit case folders with all required data points can be processed for scoring and recommendations in Oracle Credit Management. For more information on setting up credit review checklists and associating data points, see the *Oracle Credit Management User's Guide*.

The decisions you make about an application are stored on a case folder as recommendations. When a case folder is completed and approved, the recommendations become final and Oracle Credit Management implements them. If you use a seeded lease application recommendation, the lease application is automatically updated when you approve the lease application's case folder. The decisions you make on the credit case folder determine if the lease application can be used to create a new contract.

If you approve a lease application case folder with a recommendation of "Approve", the lease application status is updated to Approved, and it can be used to create a new lease contract.

If you approve a lease application case folder with a recommendation of Reject, the

lease application status is updated to Rejected, and it cannot be used to create a new lease contract. Lease Applications with a status of Rejected can be appealed or resubmitted. There are other recommendations you can add to a lease application case folder that will update the lease application including modifying the lease application booking and funding checklist and adding credit recommended deal offers.

You should insure that the items on the booking and funding checklist associated to the lease application template for the lease application of the case folder are the terms you want to enforce during booking and funding. Once the lease application case folder is approved, whatever checklist is associated to the lease application template at the time of approval will be used during booking and funding if you use the lease application to create a new contract.

To create a lease application, complete the following tasks.

- Enter Lease Application Details
- Create or Update Lease Application Quote
- Add Credit Information
- Validate Lease Application

Enter Lease Application Details

You can source a lease application from a lease sales quote, or create a lease application from scratch. If you source a lease sales quote, the lease sales quote details will default to the new lease application. You can update the defaulted sales quote information and enter additional details, but after updating the details, you must validate, price, approve, and accept the new version.

You select a lease application template from a list of values which is based on the credit classification and industry of the prospect, the eligibility criteria associated to the template, and the vendor program on the lease application. The credit review type and credit classification you enter when creating new lease applications uniquely identify a credit review checklist set up in Oracle Credit Management. The credit review checklist determines which credit data points on the lease application you must enter for the customer or the deal. The lease application template provides terms and conditions, along with a checklist, for funding and booking validations on the contract to be created from the approved lease application.

Enter lease application details in the Create Lease Application page by navigating to **Customers > Credit > Lease Applications**. The following table describes lease application fields.

Lease Application Details

Field	Description
Operating Unit	<p>Operating unit of the record.</p> <p>Note: The list of values includes operating units assigned to the MO: Security profile.</p> <p>Additional Information: The application displays the selected operating unit as the default in the subsequent pages irrespective of the value that you set for the MO: Default Operating Unit profile option.</p> <p>The selected operating unit restricts the valid list of values in applicable fields.</p>
Source	<p>Source of the lease application will be a lease quote or None.</p>
Source ID	<p>Lease quote number. If lease application is not created from a quote, this field is read only</p>
Prospect	<p>Defaulted from lease quote or selected from the list of valid prospects from Oracle TCA if created without a lease quote.</p>
Program Agreement	<p>Optional field in which you can select only active vendor program agreements for which the lease application details meet the eligibility criteria on the program. Criteria based on configuration or payment plan factors are validated later.</p> <p>Program Agreement effective dates must contain the lease application expected start date.</p>

Field	Description
Industry	Optional field that defaults from party record associated to prospect. You can enter or update this field. If the TCA party has multiple industry values, then the industry marked Primary will default in for the prospect.
Valid From	Current date defaults in; can be updated.
Valid To	The expiration date for credit approval. The credit analyst will provide this date when entering and approving recommendations for the lease application's credit folder in Oracle Credit Management.
Amount Requested	Calculated by Oracle Lease and Finance Management, this represents the total financed amount on the quote on the lease application. This amount is calculated from the total amount financed on the quote configuration. You can not override this amount.
Lease Application Template	<p>You select a lease application template from a list of values based on Customer Credit Classification, Industry, Org Unit, and Vendor Program on the lease application. Only Active templates, with effective dates within lease application term will appear.</p> <p>This field cannot be updated after Oracle Lease and Finance Management creates the lease application.</p>
Status	Displays the status of the lease application.
Credit Line	<p>Displays active credit lines for the customer account. The credit analyst can use this information to evaluate the lease application. If the lease application is approved and converted into a contract, the credit line reference is copied over to the contract.</p>

Field	Description
Currency and Conversion Factors	Currency defaults from your ledger currency. You can enter conversion factor details if the currency you entered is different than the ledger currency.
Prospect Address	Defaults from the quote or can be entered.
Master Lease Number	Displays list of values for all active Master Leases for the same prospect party where the Expected Contract Start Date is past the Effective From date on the Master Lease and before the Effective To date. Any terms and conditions on the Master Lease Agreement will apply to a contract created from the Lease Application.
Pricing Details	Pricing on lease application must be accepted with the pricing valid dates associated with the quote.
Tax Details	Defaults in from sales quote or is calculated when you validate a new lease application.
Legal Entity	Identifies the first party on the contract. This field is mandatory, if you select Upfront Tax to calculate tax.
Configuration Details	Defaults in from sales quote or you must enter the details of assets or fees to be financed.
Financing Adjustments	Defaults in from sales quote or you must enter the details of any adjustments to the financed amounts.
Payment Details	Defaults in from sales quote or you must enter payments
Oracle Credit Management Data Points	You can enter data points on the Credit Checklist associated to a lease application. The data points will appear in the Oracle Credit Management case folder after you submit it for approval.

Create or Update a Lease Application Quote

You can update lease application details that defaulted from the lease sales quote if you used a quote as the creation source. However, if you update the lease quote details on a lease application, approval and acceptance of the quote must be repeated.

If you do not source a lease quote for your lease application, you can simply enter the deal details on the lease application. You can add effective and delivery dates, additional prospect information, configuration details, financing adjustments, and payment details.

Add Credit Information

You can enter credit information at any time in the lease application process before submitting the application to credit. Credit data fields in the lease application are rendered based on credit data points set up in the credit review checklist applicable to the lease application you used to create the lease application. In Oracle Credit Management, there can only be one applicable credit review checklist for a combination of Credit Review Type and Customer Credit Classification. The lease application template selected for a lease application determines the associated credit review checklist. When you save the credit data pages, the saved information will appear on the credit application in the case folder for the lease application in Oracle Credit Management after you submit the Lease Application for approval and the case folder is created. You can mark the credit data points as Mandatory or Optional on the credit review checklist. If you mark a data point as mandatory, it must be filled in on the Lease Application before you submit it for credit approval for your case folder to be created successfully.

For more information on the credit process, see *Oracle Credit Management User Guide*.

You can set up data points on the credit review checklist for the following categories and enter the data values on a lease application:

- Applicant and business backgrounds
- Financial data, such as Balance Sheet or Income Statement
- Funding sources, such as Venture funding data, Collateral data, and Guarantors
- Bank and trade references
- Additional data entered as data points on the credit checklist, such as license number, awards and certifications, reputation in industry, environment factors for the client's business, and other perceived risks. You can associate data points to a function that will extract a value for the data point when the lease application is submitted as a credit request to Oracle Credit Management and the case folder is created. For more details on setting up extended data points, see *Oracle Credit Management User Guide*.

Validate Lease Application from a Sales Quote

Once a lease sales quote for a lease opportunity has been accepted by a prospect, it can be used to create a lease application. You have the option of picking a lease sales quote as the source of a new lease application. When you select a sales quote as the source, the following rules apply:

- Only a lease sales quote not yet used to create a lease application can be used.
- Only one active lease application can be in process for a lease opportunity. A lease application is not considered in process if it has a status of Withdrawn or Credit Rejected.
- Only a lease sales quote with a status of Accepted is displayed. Only one lease sales quote can be accepted for a lease opportunity.
- The prospect on the lease sales quote must be the same as on the lease application.
- The Expected Start Date on the sales quote should be on or after the lease application Effective From date.

When the details of an accepted lease sales quote transfer to the lease application, the status of the lease application becomes Pricing Accepted. If any of the pricing details on the lease application are updated, then the lease application status will change to Incomplete since new pricing will be required to submit for credit approval.

Lease Application Pricing

Before submitting the lease application for credit approval, you must price it to determine the yields and interest rate. Once the application is priced, you submit it for pricing approval. After you submit a lease application for pricing approval, you will receive a decision on pricing from the authority hierarchy set up in Oracle Lease and Finance Management through Approval Manager. When the lease application is approved for pricing, you can accept it on behalf of your prospect. A lease application rejected for pricing approval will be updated a status of Pricing Declined.

If you make changes on the pricing of a lease application after pricing is approved, the application must be priced again, and have pricing approval and customer acceptance before it can be submitted for credit approval.

After a lease application has been priced and approved, a summary of pricing details will appear on the summary page.

Submit Lease Application

After a lease application has been priced and accepted, and the credit application sections have been completed, you can submit the lease application for credit evaluation. When a lease application is submitted, Oracle Lease and Finance

Management initiates a credit request with Oracle Credit Management and the Oracle Credit Management workflow process begins. Oracle Credit Management creates a Case Folder and Credit Application for the lease application submitted. All of the data points you set up on the credit review checklist associated with the lease application template for your deal will be added to the case folder. The data point values may be those you entered on the credit application portion of the lease application or set up as functions that will derive or calculate other values. As part of the credit case folder creation workflow, any functions you associate to data points are called and the derived or calculated values are added to the case folder.

If you set up automatic scoring and decision rules on the credit review checklist, the application will be scored and recommendations assigned. If the application cannot be scored or no automation rules are assigned, a credit analyst will be assigned to manually evaluate the application.

The application is approved when the credit analyst adds recommendations to the credit folder and those recommendations are approved by an authorized approval authority. Although Oracle Credit Management allows you to set up and create new recommendations, there are several recommendations seeded that apply specifically to credit folders for deals originated in Oracle Lease and Finance Management.

Update Lease Application

You can update a lease application before it is either Submitted to Credit, Withdrawn, or Cancelled. No updates can be made to a lease application in any of the following statuses: Submitted to Credit, Credit Approved, Credit Rejected, Withdrawn, Converted to Contract, or Cancelled. You cannot update the legal entity if you have activated the lease application. You cannot update the Operating Unit once you create a lease application.

Appeal Lease Application

If you do not want to accept the credit decision, you can appeal a lease application. When a credit decision is made on the original lease application, the case folder will indicate whether an appeal can be made and what the expiration date is for the appeal. Both Approved and Rejected lease applications can be appealed since you may not want to accept one of the approval conditions. A new lease application linked to the original is created for appeal. You can select the credit recommendations on the original lease application that you would like to appeal. You can also update credit information on the new application before submitting it to credit for reevaluation. If the appealed lease application is approved, you can then convert either the original or the appealed lease application into a contract. If the appeal is rejected, you can resubmit or appeal the lease application again.

Resubmit Lease Application

If conditions on a deal change, you can resubmit the lease application to provide new

pricing and credit information. Both Rejected and Approved lease applications can be resubmitted. Oracle Lease and Finance Management creates a new lease application linked to the original when you resubmit. You can change the pricing or credit-related information and submit it to credit again. If your resubmit is approved, you can then convert either the original or the resubmitted lease application into a contract. If your resubmit is rejected, you can either book the original lease application or resubmit or appeal the lease application again.

Withdraw or Cancel Lease Application

You can withdraw a lease application that has not yet received a credit decision by selecting the lease application and submitting a withdrawal request. Oracle Lease and Finance Management sends the withdrawal notification to the credit analyst. When the credit analyst accepts the withdrawal notification, the lease application becomes Withdrawn. The withdrawal cannot be reversed. The credit analyst indicates the withdrawal reason and closes the case folder.

You can also cancel a lease application that already has a credit decision by selecting Cancel from the Action menu for that lease application and clicking Go. A cancellation cannot be reversed. Canceled lease applications cannot be used to create new contracts. You can also cancel a lease application that already has a credit decision by selecting Cancel from the Action menu for that lease application and clicking Go. A cancellation cannot be reversed. Canceled lease applications cannot be used to create new contracts.

Before a lease application can be cancelled, the contract must be cancelled. You cannot cancel lease applications with the following statuses: Submitted to Credit, Credit Rejected, Credit Approved, Converted to Contract, or Submitted for Pricing Approval.

Oracle Lease and Finance Management Credit Lines

Credit Lines Overview

Use credit lines to control your risk exposure when you want to extend credit to your customers for multiple transactions. You create a credit line without a Oracle Credit Management request by setting up and activating a credit line in Oracle Lease and Finance Management.

Oracle Lease and Finance Management allows you to set up and execute checklist items before you activate credit lines. A credit manager usually determines the items that are required to be included on a checklist for activating new credit lines. Items might represent such things as tasks or documents. As the Credit Manager, you determine the items in the checklists and control the users that can update the lists based on roles in the credit process.

You can also associate a funding request checklist template with a credit line. Then, each time you create a funding request for a contract associated to the credit line, a copy of the funding request checklist template is created for the request. The items on the

checklist can be used to insure your credit line conditions are met with each funding requested.

Credit lines have a credit limit that controls how much financing can be approved for contracts associated with the credit line. Credit limits can be increased and decreased after the credit line has been activated.

You can update a credit line expiration date any time to prevent it from being used for deals with start dates occurring after the credit line expiration date.

Credit lines can also be associated to Master Lease Agreements. If a contract is not associated to a lease application or credit line, but is associated to the Master Lease, the credit line for the Master Lease is used to restrict the funding amounts for a lease contract.

Credit Line Types

Credit lines are either standard or revolving. A revolving credit line enables you to replenish the balance each time payments are received from a borrower, up to the preset limit, throughout the life of the credit line. Once the credit line expires, the revolving balance can be moved to a conventional loan type lease contract and set of for repayment. Funding requests with the type Borrower Payment are used to draw down a credit line. Standard credit lines are drawn down with asset and expense type fundings with each related funding request until the credit limit is reached or the line expires.

Oracle Lease and Finance Management also allows you to use warrants, representing stocks or stock options, as collateral against an established line of credit.

Create Credit Lines

Create A New Credit Line

To establish a credit line for a customer, you create a line of credit in Oracle Lease and Finance Management for the customer. You then establish the credit limit amount. You can revise credit limits up or down for a particular credit line throughout the life of the credit line.

If the credit line is revolving, when the lessee makes a payment for the associated revolving loan contract, the amount of available credit increases by the paydown amount. For example, if a lessee has a line of credit for a million dollars and has two loans worth US\$250,000 each against the line, the available line decreases to US\$500,000. If the lessee pays off US\$300,000 of the amount owed, the revolving credit line increases to US\$800,000. When the life of the revolving credit line expires you convert the balance to a loan type lease contract and associate the assets and payments required to activate the new contract.

Standard credit lines are not revolving. As leases and loans are funded for contracts associated to the credit line, it is drawn down until there is no credit available or the credit line expires. Only contracts for the same customer account as the credit line can

be associated with the credit line.

Before creating a credit line, customers must be set up in Oracle Receivables.

To create a credit line, navigate to **Customers > Credit > Credit Lines**. Click Create to open the Create Credit Line page. Enter the Credit Line details and click Apply. The following table describes Credit Line fields.

Credit Line Details

Field	Description
Operating Unit	<p>Operating unit assigned to the record.</p> <p>Note: The list of values includes operating units assigned to the MO: Security profile.</p> <p>Additional Information: The application displays the selected operating unit as the default in the subsequent pages irrespective of the value that you set for the MO: Default Operating Unit profile option.</p> <p>The selected operating unit restricts the valid list of values in applicable fields.</p>
Number	Enter a unique credit line number.
Description	Optionally, describe the credit line.
Customer Name	Choose the customer to whom you are assigning a credit line from the list of values.
Customer Account	Select the account number of the customer.
Effective From	Mandatory field for beginning date of credit line.
Effective To	Mandatory field for end of credit line. Credit lines cannot be open-ended.

Field	Description
Currency	Choose the currency for the credit line. You may select a different currency for the credit line. Any contract associated with the credit line must have the same currency as the credit line.
Currency Conversion Type	If your credit line currency is the same as the ledger currency, you can ignore the currency conversion fields. If the credit line currency is not the same as the default ledger currency, select the currency conversion type from the list of values.
Currency Conversion Rate	If you selected User for the currency conversion type, enter the rate.
Currency Conversion Date	If you selected other than User for the currency conversion type, enter the conversion date to enable Oracle Lease and Finance Management to determine the appropriate currency conversion rate for the type selected.
Revolving	Select this checkbox if the credit line is revolving. Revolving credit lines can only be associated to contracts with a financial product having a book class of Revolving Loan.
Checklists	Optionally, associate checklists to the credit line. You can associate one checklist to be used for checking conditions to activate the credit line and one checklist as a funding checklist template.

Create Credit Limit

After you have entered a credit line for a customer, you must set the credit limit for the line. You can add or subtract amounts to the credit line at any point in its life cycle.

To create a credit limit, first select a credit line. In the Credit Line Details page of the Credit subtab in the Customers tab, click Credit Limit. Enter credit limit details. The following table describes Credit Limit fields.

Credit Limit Fields

Field	Description
Nature	Select Addition or Reduction. For a new line of credit, select New Limit. For existing credit lines, select Add Item to add to the credit amount or Reduce to reduce it.
Effective Date	For new credit limits, this date corresponds with the Effective From date of the credit line. This date is displayed in the page header.
Note	You can add a brief description of, or any important details for, the credit limit.
Amount	Enter the credit limit amount. Do not include commas.
Update	Click Update to establish the credit limit.

Add Warrants to Credit Line

You can attach a warrant, which represents stocks or stock options, to a credit line to use as collateral in securing the credit amount. Oracle Lease and Finance Management records the relevant information regarding the stock or stock option for future reference.

To attach a warrant, first select a credit line. Click Warrants in the Credit subtab menu of the Customers tab. Enter warrant details. Click Create to add the warrants to the credit line. The following table describes Warrants fields. Information you enter for fees or prices do not automatically generate any related transactions and are for informational purposes only.

Warrants Fields

Field	Description
Fee Amount	If a fee is attached to the warrant, enter the fee amount.
Due Date	Date fee is due.

Field	Description
Type	Select Common or Preferred for the type of shares.
Number	Enter the number of shares of stock in the warrant.
Acquisition Date	Date the shares were acquired.
Expiration Date	Date the shares expire.
Strike Price	Enter the strike price of the stock options.
Initial Book Value Amount	Enter the total initial book value of the stock.
Initial Tax Value amount	Enter the total initial tax value of the stock.
Current Book Value Amount	Enter the current book value of the stock.
Current Tax Value Amount	Enter the total current tax value of the stock.

Using Credit Lines

Associate Checklists to a Credit Line

Oracle Lease and Finance Management allows you to set up and execute checklists to track activities and action items for the process leading up to activating credit lines and approving funding requests. You determine the items in the checklists and control the users who can update the checklists based on roles and responsibilities in the credit and funding process.

To create checklists for use with Lease Applications, see [Create Credit Checklist](#).

Create Checklist Templates for Credit Lines

You create checklist templates so that you can use the same basic checklists many times. Depending on your profile options settings, you can modify checklists and approve credit line activation.

If you are the assigned Yes in the profile option OKL: Credit Approver, you can create or modify a checklist of required activities (for example, tasks, documents, and approvals) to be completed prior to activating a credit line or approving a funding request. Otherwise, you are only able to update the checked status of the items on the checklist.

You associate the credit line checklists to a credit line for actions to be completed prior

to credit line activation. You can also associate a funding request checklist prior to activation of the credit line that will be used each time a funding request is submitted for a contract associated to the credit line.

Checklists are not part of the workflow that sends a credit request to Oracle Credit Management. You associate a credit line checklist to a credit line after the credit line has been entered in Oracle Lease and Finance Management, but before the credit line has become activated.

The scope of these checklists is limited to the credit line activation and funding approval process within Oracle Lease and Finance Management.

The main topics in this section are:

- Associate a Checklist Template to a Credit Line
- Mark Items as Mandatory or Recommended, and Activate Checklist
- Activate a Credit Line with Checklists

Associate a Checklist Template to a Credit Line

The credit line approver adds a credit line checklist or funding request checklist template to the credit line during credit line creation. The purpose of the credit line checklist is to insure all required conditions are met before the credit line is activated. Only users with the profile option OKL: Credit Approver set to Yes can add or modify a checklist for a credit line. Other users may only update the checklist items as completed with a comment. When adding the checklists to the credit line, only the checklists from the checklist setups that are within the checklist setup effective dates may be selected.

The purpose of the funding request checklist template is to provide a checklist for each funding request submitted for a contract associated to the credit line. The template is copied each time a funding request is created for a contract associated to the credit line. The items on the checklist are conditions that must be met for the funding request to be approved. Only users with the profile option OKL: Funding Request Approver set to Yes can add, modify, and activate a checklist template for funding requests. Other users may only update the funding request checklist items as completed with a comment.

Before you can associate a checklist template to a credit line, the following tasks must be completed:

- Item codes for potential checklist action items have been entered in the Oracle Application Developer Lookup Object Library.
- The Profiles for the credit line Responsibility (Lease Super User, Operations Manager, Credit Approver) must enable the user to assign credit line checklists and funding request checklists templates to the credit line.
- Checklist templates have been created on the Setup tab in Oracle Lease and Finance Management.

- You must already have created a credit line with the status of New or Entered (cannot be Activated).

To associate a checklist template to a credit line, first select a credit line. In the Checklists region of the Credit Line Details page you can select a Credit Line Checklist Template and a Funding Request Checklist Template from the list of values. You may select either or both types of checklist templates to associate with this particular credit line. Click Update to save your work.

Mark Items and Activate Checklist

The credit line approver navigates to the credit line checklist instance or funding request checklist template summary and updates the mandatory flag for any line items as required. Recommended items are the line items that are not marked as mandatory. The credit line approver activates the credit line checklist or funding request checklist. The checklist and/or funding request checklist template receive Active status.

The credit line cannot be activated if no credit limit is entered for the credit line, or if the status for the Credit Line Checklist and/or Funding Request Checklist is New; the checklist status must be Active, if the mandatory items are not completed on the checklist.

The credit line approver may navigate to a credit line checklist and remove or add mandatory flags as appropriate until the credit line is activated. After the credit line is active, the checklist can no longer be updated.

For the funding request checklist, the credit line approver may update the mandatory flags on the funding request checklist template at any time, even if the credit line is active (but not expired or terminated), or the funding request template is active or expired. When the funding request submitter creates a funding request, an instance of the funding request checklist template is created.

The checklists are now available for the credit analyst to check off items as completed.

Before a checklist can be activated, the following tasks must have been completed:

- A credit line must have been created with the checklists associated.
- The profile responsibility must be set up to enable checklist template creation.

You can mark items as mandatory on the checklist provided that the necessary Oracle Lease and Finance Management profile options are set to Yes for credit line approver and funding request approver. On the Credit Lines Checklist or Funding Request Checklist Template pages, select the Mandatory checkbox for each item that you want to be required. Leave the checkbox blank for items that are not required and they remain on the checklist as Recommended items.

Click Update to save your work and Activate to activate the checklist.

Activate a Credit Line with Checklists

To activate a credit line with checklists, select the credit line and click Activate.

After the credit line approver activates the credit line, an error message is given when any mandatory items on the credit line checklist are not checked off. You must go back and make the necessary changes, such as completing all mandatory items, before the credit line is activated. If all mandatory items are checked off but recommended items are not, a warning message is given, the credit line activation process continues, and the credit line status changes to Active.

Part 5

Credit Application to Booking

Master Lease Agreements

This chapter covers the following topics:

- Master Lease Agreement Overview
- Master Lease Agreements

Master Lease Agreement Overview

You can establish some types of agreements prior to creating contracts.

If you choose to establish terms and conditions that apply to all contracts you enter into with a specific customer, you may create a master lease agreement.

Master Lease Agreements

As a lessor, you may enter into multiple leases or loans with the same customer. While these leases could have different start dates, involve different asset types, or have different lengths, they may share a number of terms and conditions or articles. In this case, creating a master lease agreement with the customer allows you to share certain agreed upon terms and conditions across lease contracts.

In other words, a master lease agreement allows you to set some terms and conditions at the customer level. You may also have multiple master lease agreements with the same customer. This is necessary if you have two or more standard lease contract options with the customer.

Within Oracle Lease and Finance Management, you must access an existing agreement or create a new one before you can access the Terms and Conditions and Articles links. These tasks require an agreement.

Note: If you intend to attach articles to a contract you must set up a master lease agreement. Articles are associated only with a master lease agreement and cannot be added directly to a contract during authoring.

The main topics in this section are:

- Create Agreement
- Add Terms and Conditions
- Add Articles
- Activate the Agreement

Create Agreement

Initially, you must create an agreement with a customer and then add the appropriate terms and conditions and articles.

You can also edit existing agreements by first searching through existing agreements. Filters include Agreement Number, Customer Name, and Description. Choose the existing agreement you want to edit by clicking the desired hypertext agreement number from the results section.

Prerequisites

Customers must be set up in Oracle Receivables.

Steps

Perform the following steps in the Master Lease Agreement page:

1. To create a new agreement, click Create.

The Create Master Lease Agreement page appears.

2. Select the operating unit.

Note: The list of values includes operating units assigned to the MO: Security profile.

Additional Information: The application displays the selected operating unit as the default in the subsequent pages irrespective of the value that you set for the MO: Default Operating Unit profile option.

The selected operating unit restricts the valid list of values in applicable fields.

3. Select a legal entity to identify the first party on the agreement.

4. Enter a unique alphanumeric agreement number.
5. In the customer name field, click the flashlight icon and choose from the list of values the customer that you want to create a master lease agreement with.
6. Choose the Source from which you which to create the agreement.
The options are: New, Template, and Copy.
If you choose New, you are creating a brand new agreement.
If you choose Template or Copy, you must click the flashlight icon and select the Template or existing agreement that you want to use as a source from the list of values.
7. Click Apply to save and add details later. Otherwise, click Save and Add Details.
The Master Lease Agreement details page appears. If you chose New, this page is blank. If you choose either Template or Copy, the page is populated with some or all of the values that appear on the source you are using.
8. Click Update to add details in the Update Master Lease Agreement page.
9. Optionally, you can enter a description of the agreement.
10. In the Contracts region, enter the date the contract is (or was to be) signed.
11. Enter the credit line number.
12. Enter the Effective From and Effective To dates.
13. Enter the primary currency.
The primary currency defined for your business unit is the primary currency for the master lease agreement. This is the default currency for all lease contracts linked to the master lease agreement.
14. In the Other region, if you want to save this agreement as a template, then select the Save as Template check box.
15. Click Apply to create the agreement with general details.

Guidelines

If you select the Save as Template check box, you can use the details of this contract for any subsequent contract you enter into with this customer. The contract header details and terms and conditions default onto the new contract if you choose Template as your Source. You can subsequently change any of these details to meet the specifications of the new deal. At the least, you need to change the dates for the term of the contract if they differ from those that appear on the template.

Add Terms and Conditions

After you have created a master lease agreement with a customer, you can add certain terms and conditions to that agreement. These terms and conditions are applicable on all contracts to which you attach this master lease agreement.

Prerequisites

You must create an agreement with a customer.

Steps

After your agreement is confirmed, perform the following steps in the Terms and Conditions tab of the Master Lease Agreements details page:

Note: All Terms and Conditions fields are optional entries.

1. Under the Termination Purchase Options section, if applicable, choose the Mid Term Option from the list of values.
2. Enter the Mid Term Amount, if applicable, for the selected option.
3. Choose the End of Term Option from the list of values, if applicable.
4. Enter the End of Term Amount, if applicable, for the selected option.
5. Click Apply to save and add other terms. Repeat this step after each term.
6. Under the Renewal Options section, enter a numeric value for the Renewal notice days field.

This is the number of days required by the customer to be notified of automatic renewals.
7. Choose a Renewal option from the list of values, if applicable.
8. Enter the Renewal amount if applicable for the selected option.
9. Under the Tax section, if you want the contracts linked to the agreement to be Subject to Basic Tax Withholding, select the check box.
10. Alternatively, in the Calculation Formula Name field, click the flashlight icon and choose the appropriate calculation formula, if applicable.
11. Under the Insurance section, select the Coverage by Blanket Insurance check box if the lessee has blanket insurance coverage for all referenced contracts.

12. Select the check box if the customer is insurable for all referenced contracts.
13. Select the check box if the customer is allowed to cancel insurance on any referenced contract.

Add Articles

In Oracle Lease and Finance Management, you can add articles to a master lease agreement that become part of any contract that uses the referenced master lease agreement.

A contract article is the text that describes and details the terms and conditions that are attached to a contract. These articles are referenced from a library of articles, which are pre-configured in the Oracle Contracts Core module. You cannot change the text of standard articles, but you can create custom articles and attach them to the master lease agreement.

You cannot add articles directly into a contract in Oracle Lease and Finance Management. If you want to attach articles to contracts, you must set up at least one master lease agreement.

If you have the appropriate responsibility, you can add or delete articles from existing master lease agreements. At the Agreement Articles page, all articles that are attached to the agreement appear in a table at the bottom of the page.

Prerequisites

Articles must be set up in Oracle Contracts Core.

Steps

You must have an agreement number selected before you can navigate to the Articles tab on the Master Lease Agreement details page.

Perform the following steps in the Articles page of the Master Lease Agreements subtab:

1. Click the Articles tab to add existing or create new articles.
A table listing the names and subjects of all the available articles appears at the bottom of the Articles page. You can enter criteria to narrow your search.
2. Select the check box to the left of each article you want to add to the agreement.
To add articles not displayed on the page, navigate to the next set of articles by clicking the Next 15 hypertext link.
3. Repeat this process with each article you are attaching to the agreement.
4. To create new articles, click Create

5. Add the details in the Create Articles page and click apply.

Guidelines

The two filters for searching for articles are: Name and Subject.

Activate the Agreement

Once you have created a master lease agreement, whether you use a template or not, the contract will have a status of New. To change the status to Active, use the following procedure.

Prerequisites

Agreements must be set up.

Steps

Perform the following steps in the Master Lease Agreement page:

1. Search for the agreement you want to activate.

You can filter the search using agreement number, description, customer name, or status

2. In the results table, click the Activate icon of the agreement you want to activate.

You receive a confirmation message and the agreement status changes from New to Active.

Contract Authoring

This chapter covers the following topics:

- Contract Authoring Overview
- Create a Contract
- Identify Parties on a Contract
- Set Terms and Conditions
- Configure Contract Lines
- Set Up Contract Payment Structure
- Set Up Financed Services
- Create Interest Rate Details
- Set Up Insurance
- Enter Additional Contract Data
- Enter Extensible Attributes
- Book the Contract
- Contract Attachments

Contract Authoring Overview

Contract authoring is the process by which you enter the details of an agreed-upon deal and create an active contract in Oracle Lease and Finance Management. During authoring, you create an inactive contract first; then complete it by selecting or entering data, and adding financial asset and fee lines to the contract. You complete the process by generating financial information and submitting a request for approval to activate.

To author a new contract, you can create a contract from scratch, copy a lease quote or lease application, start with a contract template, or copy an existing contract. During the initial authoring of an inactive contract, you enter contract details such as customer information, financial product, vendor program, master lease agreement, terms and

conditions, asset lines, and service lines. Most items you select must be set up prior to authoring your contract. Some items you enter, such as services or usage, link to contracts or objects in other Oracle Applications. For example, you can link a service line on your contract to an Oracle Service Contract. This enables you to consolidate billings for lease and loan agreements with billings from a service contract.

After you have entered the contract details, you must validate the contract, calculate estimated taxes and generate the financial information such as streams and rates. As you complete each step of the activation sequence, you can review the results. After each step is completed, you submit the contract for approval. Once the approval hierarchy is completed and the contract is approved, Oracle Lease and Finance Management completes activation by creating all required accounting and creating any additional information in other applications automatically.

You can search, update, and duplicate existing contracts from the Contract Search summary page. The Contract Search summary page is available in the following menu locations:

- Customers > Contracts
- Operations > Contracts
- Asset Management > Contracts

If your security profile is enabled for multiple organizations, then you can search for contracts belonging to any organization for which you are authorized. Oracle Lease and Finance Management enables you to personalize the search to query existing contracts using your criteria. *See the Personalization Guide to personalize Oracle application pages.*

Using Authoring Business Events

Often contract authoring events such as contract approval may be separated by days or weeks, yet the subsequent steps in the business process must be completed in sequence. Business events are opportunities at each small step in the authoring process where you can configure Oracle Workflow to increase efficiency through automation. Oracle Lease and Finance Management business events make it easy to connect Oracle Workflow to your unique business process. You can automate tasks, notify others when a contract is ready for its next step, or route the contract to the appropriate user for additional processing. The business events are seeded in Oracle Workflow and reside in the background throughout the origination processes. Each seeded event is disabled by default. To use a business event, you must first enable it and then subscribe a workflow to the event. See: Seeded Business Events For Lease Contract Authoring, *Oracle Lease and Finance Management Implementation Guide* for a list of the Oracle Lease and Finance Management business events.

Importing Contracts

If you are originating your transactions in a third party system, Oracle Lease and

Finance Management enables you to use an import interface to load contracts for authoring. You can load the contracts in any state, from New to Booked using the associated batch processes. The import interface automatically validates contract information you load to ensure it is complete and accurate. You can use the import interface in conjunction with contract templates to ensure your contracts have the required information. See section for more information about using the contract import feature.

Create a Contract

When you create a contract, you first decide the method you want to use to create the contract:

- Do you want to create the contract from scratch?
- Do you want to use information provided in another source, such as a contract template or vendor program?

If the contract is new, then you must enter the required and relevant information. If it is derived from a source, then you have existing contract information that you can edit to complete the authoring process.

When you create the contract, you enter or select information for the contract, customer, rental period, and other details that are required to support the contract during its life cycle.

You must also choose a financial product for the contract. The financial product provides two important functions to a contract:

- The product links a contract to an accounting template set, which specifies all the accounting required for all the transactions associated with the contract.
- The product contains classification qualities that define the financial information generated for the contract.

Prerequisites

In addition to the standard Oracle Lease and Finance Management setups specified in the Oracle Lease and Finance Management Implementation Guide, you must set up the following in order to complete contract authoring:

- Parties and Customer Accounts, including bill to sites and installed locations
- Supplier accounts and pay sites for your vendors
- Other parties you want to use as guarantors, brokers
- Counters used in conjunction with contract usage lines

- Vendor Program Agreements
- Master Lease Agreements
- Insurance providers and products
- Credit Lines

Steps

From the Contracts search and summary page, perform the following steps to create the basic contract with status as New:

1. Select Contract from the drop down menu and click Create.

The Create Contract page appears.

Note: You can create a contract template by selecting the applicable option.

2. Select an operating unit to create a contract within the applicable operating unit.

Note: The list of values includes operating units assigned to the MO: Security profile.

Additional Information: The application displays the selected operating unit as the default in the subsequent pages irrespective of the value that you set for the MO: Default Operating Unit profile option.

The selected operating unit restricts the valid list of values in applicable fields.

3. The application displays the legal entity associated with the selected operating unit.

Note: The legal entity identifies the first party on the agreement.

4. Enter an alphanumeric unique contract number for the contract. Alternatively, if you have set up auto-numbering, then an automatically generated number populates the field.
5. In the Customer Name field, select the customer party for the lease contract
6. Enter the date from when the contract is effective.

7. Select the vendor program agreement number to associate the contract with a vendor program.
8. Select the source for the contract. If you choose any of the options other than New, then click the flashlight icon to search for the source that you want to copy.

Note: While copying, the application automatically generates the new asset numbers and copies the serial numbers.

9. Click Apply to save and update later. Otherwise, click Continue to save and add contract details.

The Contract Details page includes display-only fields that you cannot update, such as status, operating unit, lessor legal address and version number that you cannot update. If this information is incorrect, then you must cancel the contract and start over. Other information defaults from your selections, such as book classification and tax owner from the financial product and customer address from the customer account.

After you complete and save the first page of the contract, use the Contract Details page with sub-tabs for different sections of the contract to enter the remaining contract information to complete contract authoring.

General Contract Details

Using the General subtab on the Contracts page, complete the following:

1. Enter a contract description.
2. Select the master lease agreement number, if you are using a master lease agreement.

Note: Only master lease agreements that are active on the effective date of the contract are available for you to select. You may select master lease agreements that belong to other customers.

Lessor

1. In the Lessor section, select the legal entity to identify the first party on the contract.
2. Select the sales representative for the lessor who receives credit for originating the contract.

Note: The application displays the operating unit that you selected while creating the contract and the ledger associated with the legal entity.

Customer

1. In the Customer section, enter the Customer Name if you did not select a customer on the create page. You may also change the customer name.
2. In the Customer Account field, select the customer's Oracle Receivables account number.
3. Enter the customer's purchase order number.
4. In the Acceptance Method field, select the method that your customer uses to accept the financed equipment.
5. Select the credit line for the contract.

Note: The credit line must have the same currency and customer as the contract. During funding, the credit line tracks the customer's credit limit. You must set up credit lines in advance.

Note: The application displays the legal address specified in the party record.

Rental Period

1. In the Rental Period section, in the Term field, enter a numeric value, in terms of whole months, for the length of the contract term.
2. Enter the date when the equipment was delivered at the customer's designated site.
3. In the Acceptance Date field, enter the date the customer accepted the equipment.
4. Enter the date on which the contract was signed. The date cannot occur before the contract Effective From (start) Date.
5. Enter the Effective From (start) Date when the contract term begins.

Note: The application derives the period for Effective To date from the start date and contract term.

6. In the Re-Book Limit Date field, enter the date before which you will not accept any contract revisions.

Financial

1. In the Financial section, in the mandatory Product field, select the financial product you want to attach to the product.

You create financial products during Oracle Lease and Finance Management setup, and they contain the accounting options and qualities relevant to that product. For more information on financial products, see the *Oracle Lease and Finance Management Implementation Guide*.

2. Optionally, select a different currency for your contract.

The functional currency for the selected operating unit or the value from the source document (lease sales quote, lease application, existing contract, or contract template) defaults the contract currency. If the currency is not the functional currency of the contract's operating unit, then you must enter conversion details. Altering the currency defaulted from another source document will impact the other financial details of your contract.

- You can change the conversion parameters with no financial impact on your copied contract.
- If you selected User for the Currency Conversion Type, then enter the rate in the Currency Conversion Rate field.
- If you selected a value other than User for the Currency Conversion Type, then enter the Currency Conversion Date to enable Oracle Lease and Finance Management to determine the appropriate currency conversion rate for the currency conversion type you selected.

Note: The Book Classification and Tax Owner fields are read-only. These are both derived from the financial product you selected for the contract. To alter either or both of these fields, select a different product, one that has the necessary qualities and quality values. See Define Financial Products, *Oracle Lease and Finance Management Implementation Guide*.

3. Select the Eligible for Pre-Funding check box if you plan to create and approve funding requests prior to booking the contract. You will not be able to create and approve funding requests with the type Pre-Funding if you do not select this option. If you enable Pre-Funding for a contract, you can also enable the contract for interim interest.
4. If you intend to create and approve Pre-Funding requests, then you must determine whether to charge interim interest. If you do set up interim interest rates for the contract (in the Interest Rate terms and conditions), then you must decide whether to periodically bill for the interest or whether to add up the interim interest and capitalize it upon contract activation. Select the Capitalize Interim Interest check box if the contract is subject to capitalization of any interim interest (the period between funding dates and contract start date.)

Note: If Capitalize Interim Interest is left unchecked, then interim interest is billed to the customer periodically.

Source

1. In the Source section in the Transfer Date field, you can enter the date the contract was transferred to a new customer, if applicable.

Note: If the contract was Split from another Contract, Replaces a Contract, has an attached Converted/Legacy Number, or was created from an Origination Quote, then that information appears in one of the read-only fields below the Transfer Date field. If the contract was part of the lessor's legacy conversion, the Converted Account check box may be used to identify converted contracts and will automatically include a check mark if populated during your conversion.

Other

1. Select the check box if a Private Activity Bond secures the contract.
2. Select the Consumer Credit Act Deal check box if the contract is subject to the US Consumer Credit Act.
3. Select the Non-Notification check box to contact the vendor instead of the customer in case of delinquency.
4. If you select the Assignable field check box, then the contract streams are available for addition to an investor pool and Yes appears in the Assignable field after the contracted is booked. If you do not select the Assignable field check box, then contract streams cannot be added to an investor pool and No appears in the Assignable field after the contracted is booked.

Third Party Insurance

You can capture information about the third party insurance policies that a customer may have to cover the assets on the contract. You can create only one valid third party lease insurance policy for a contract. You can enter a due date for proof of insurance to insure you follow up when proof of the policy is required. However, if you enter a third party policy and enter a date for Date Proof provided, it prevents you from adding automatic lease insurance to the contract.

Before you can select insurance providers or agents and their contact information and addresses, you must have them set up as suppliers in Oracle Procurement.

See: Define Suppliers, *Oracle Lease Management Implementation Guide*

1. To add a third party policy to a contract, click the Create Third Party Insurance button and enter the information for a lessee's third-party insurance policy.
The Create Third Party Insurance page appears.
2. In the Policy Number field, enter the insurance policy number.
3. Enter the mandatory Effective From and Effective To dates of the policy.
4. In the Covered Amount field, enter the amount of coverage the policy provides.
5. In the Deductible field, enter the amount of any policy deductible.
6. In the Endorsement Field, enter a description of any endorsements to the policy.
7. In the Name of Insured field, enter the name of the insured customer.
8. If the lessor is insured, then select the Lessor Insured check box.
9. If the lessor is named as a payee on the policy, then select the Lessor Payee check box.
10. In the Insurance Company field, select the Insurance Company providing the policy.
11. Select the address of the insurance company from the list of values.
12. In the Agent/Broker Name field, select the lessee's agent or broker from the list of values
13. Select the address of the agent or broker from the list of values.
14. Under the Insurance Proof section, the Proof Due Date indicates the due date for proof of insurance. Enter the Due Date upon which that proof is to be received.
15. Under the Insurance Proof section, the Proof Provided Date indicates the date proof of insurance was received. Enter the Proof Provided Date upon which that proof was received.
16. Click Apply.

Guidelines

If the contract has not been booked or submitted for approval, then you can edit the information on the contract by searching for the contract, and clicking the contract number hypertext link, which opens the Contract Details page. From the Contract Details page, click the Update button and make your changes. Click Apply to save your changes.

Tip: You can narrow your search by entering a partial string of the contract number you are searching for and then clicking the flashlight icon. You can further narrow your search by clicking the Advanced Search button and entering more detailed criteria about the contract, such as category, status, or effective from and to dates.

Note: If you have associated a pre-funding request or an advance receipt to the contract before booking it, then you cannot update the legal entity.

Identify Parties on a Contract

When you create a contract, two parties are automatically defaulted on the contract: Lessor (the legal entity) and the Lessee (the customer you selected). If you associated a vendor program agreement to the contract when you created it, the vendor of the program also defaults as a Lease Vendor party.

You can create additional parties and assign them roles, such as Lease Vendor, Guarantor and Label Holder (Private Label). With each of these roles, you must provide some information specific to the role.

Some party roles are predefined for you, but you can add new party roles that you use with your contracts.

A lease vendor is usually the party that sells the lessor the equipment that is going on lease, pays subsidies to you or is paid by you for fees or services. You must associate lease vendors to the contract before you can disburse funds to the vendor or use them on subsidies. Lease Vendors are sourced from suppliers set up in Oracle Payables or using Oracle iSupplier. You can also associate a customer account to a Lease Vendor so you can create invoices when you need to bill a vendor for contract related charges, such as subsidies. The customer account you select can be related to the same party as the supplier account you selected for the Lease Vendor or you may choose an unrelated customer account.

A guarantor is a party that guarantees that payments will be made on behalf of the lessee to meet contractual commitments. You may require a guarantor when a lessee's creditworthiness is not sufficient. A deal can have multiple guarantors. Guarantors are sourced from Oracle TCA customer accounts. You can use Oracle Receivables or other TCA based applications to set up new accounts and use them as Guarantors.

The private label holder is the brand name the lessor uses when acting on behalf of a program vendor. The lessor maintains the investment on the lease, but uses the name and likeness of the label holder when dealing with lessees and other customers. Private label holders are sourced from your supplier accounts.

The Parties subtab displays all the parties already associated with the contract. For a new contract, only the lessor and lessee roles and associated names appear in the table

at the bottom of the page.

Use Oracle Contracts to set up additional Party Roles. You can set up new, user-defined party roles that are sourced from the following party repositories:

- Oracle Purchase Order Vendors
- Oracle Trading Community Architecture (TCA) - customers and other parties
- Oracle Human Resource Organizations - internal contacts

The available party names and details are sourced based on the party repository defined for that party role.

Prerequisites

You must have authored, or be in the process of authoring, a contract.

You must have set up parties (Label Holder and Vendors in Oracle Payables, Guarantor in Oracle Receivables, and Party Roles in Oracle Contracts).

Steps

In the Parties subtab, select the party role in the Add field and click Go. The Add Party page appears displaying fields applicable for the selected role.

Create Role of Guarantor

1. In the Create Party page, select the guarantor party in the Name field. You can choose any customer account in Oracle Receivables belonging to your organization. The application displays the role that you selected.
2. Select the type of guarantor.
3. In the Correspondence Site field, choose the address to which any credit related correspondence is sent to the guarantor. This value is the Party Site number. Some guarantors can choose from multiple addresses.
4. In the Guarantee Type field, specify whether the guarantee is for the Full Amount or Partial Amount guarantee. If the guarantee is partial, then enter a numeric value for the amount of the partial guarantee in the Guaranteed Amount field.
5. In the Guarantee Date field, enter the date you received the guarantee.
6. Enter brief comments relating to this guarantor.
7. Click Apply.

Note: If you have a primary and a secondary guarantor, repeat steps 1–7 for each.

Create Role of Lease Vendor

1. In the Create Party page, select the vendor name. You can choose any vendor from Oracle Payables belonging to your organizational unit.
2. Click Apply.

When you associate a vendor program agreement to a lease contract, the lease vendor from the vendor program is automatically defaulted as the lease vendor on the lease contract.

For the billing details for a vendor, select the vendor to update, then select the customer account and billing details to be used if the related vendor/supplier has to be issued an invoice. Vendors are sometimes issued invoices for purposes of recourse or repurchase, or for other reasons. However, the vendor is not billed on behalf of the customer for regular lease or loan payment billing based on this set up.

Create Role of Label Holder

1. In the Create Party page, select the label holder name. You can choose any label holder from Oracle Payables belonging to your organizational unit.
2. At the Logo URL field, enter the URL of the private label logo site. You can specify the host URL that directs you to the Web site containing a logo of the label holder.
3. Click Apply.

Set Terms and Conditions

After you have created a contract and entered all the basic information, you must add the terms and conditions that may apply to the lessor or the lessee during the life of the contract.

Terms and conditions are the financial and legal arrangements agreed to in the financing contract. In Oracle Lease and Finance Management, some of the terms and conditions are determined when you select the financial product with which you are associating the contract. When you set up the product, you choose values, some of which translate to fields in the terms and conditions section.

You can also pre-set terms and conditions through a reference to a vendor program or by using a contract template.

Some terms and conditions are required to be completed based on the type of contract and financial product you are using. If any required terms are missing, a validation error is generated during contract activation.

The Terms and Conditions sub-tab of the Contract Details page displays a summary of the terms and conditions associated with the selected contract. Any terms and conditions defaulting from a program agreement, financial product or contract template are displayed. You can add, remove, or update the following terms and conditions:

- Asset Filing
- Asset Return
- Billing Setup
- Conditions of Partial Termination Quote
- Contract Portfolio
- Early Termination Purchase Option, Contract
- End of Term Purchase Option
- Evergreen Eligibility
- Evergreen Passthrough
- Factoring
- Gain/Loss Options on Termination Quotes
- Late Charges
- Late Interest
- Prefunding
- Quote Approver
- Quote Courtesy Copy
- Quote Recipient
- Renewal Options
- Repurchase Quote Calculation
- Residual Value Insurance
- Security Deposit
- Taxes and Duties

- Termination Quote Calculation – Early Termination, Contract
- Termination Quote Calculation – End of Term, Contract
- Termination Quote Process

The term for Taxes and Duties is automatically populated on all contracts.

Prerequisites

You must have retrieved or be in the process of creating a contract.

To set up terms and conditions:

Perform the following steps in the Terms and Conditions sub-tab of the Contract Details page:

1. Select the term you want to add from the list of values above the summary table and click Go. The page for the selected terms opens.
2. Enter the applicable details. See the field references for each area of terms and conditions.
3. Click Apply

To update terms and conditions:

Perform the following steps in the Terms and Conditions sub-tab of the Contract Details page:

1. Select the Update icon on the row of the term you want to update from the list of terms in the summary table. The update page for the selected term opens.
2. Update the applicable details. See the field references for each area of terms and conditions.
3. Click Apply.

Set Taxes and Duties Terms and Conditions

To properly calculate and bill for taxes and other duties for a contract, enter the details in the Taxes and Duties terms.

Taxes and Duties Terms and Conditions Field References

The following table describes selected fields in the Terms and Conditions Taxes and Duties page.

Field	Description
Property Tax Applicable	The enabled check box indicates that you intended to calculate and assess property tax for the assets on the contract.
Lessee To Report	The enabled check box indicates the lessee will calculate and report any applicable property taxes that are due for the contract.
Bill Tax	<p>The method you select determines how property taxes will be collected from the lessee.</p> <ul style="list-style-type: none"> • Actual: Indicates that you will calculate actual property tax invoices and import them in order to send an invoice for the actual amount of property tax due to a lessee. • Estimated: Indicates you will enter a payment for the contract assets to bill an estimated property tax. The estimated amount you bill will not automatically be reconciled to any actual invoices you pay for property tax later. • Estimated and Actual: Indicates that you will enter a payment for the contract assets to bill an estimated property tax. The estimated amount will be reconciled and adjustments will be created once you calculate actual property tax invoices and import them. • None: You will not bill automatically for any property tax.
Update Lines from Contract	The enabled check box indicates that the tax details you enter for an asset will be updated when you update the tax details in contract terms and conditions. This flag overrides any flag you set for an individual asset.
Interest Disclosed	An enable check box indicates that you intend to disclose interest amounts payable on the contract. There is no automatic processing of interest disclosure based on this field, but you can use it as a determinant in your tax calculation setups.

Field	Description
Transfer of Title	An enable check box indicates that you intend to transfer the title to lessee party of the contract. There is no automatic processing of the asset title based on this field, but you can use it as a determinant in your tax calculation setups.
Sale and Lease Back	An enable check box indicates that the assets were purchased from the lessee for the contract. There is no automatic processing of lessee fundings based on this field, but you can use it as a determinant in your tax calculation setups.
Purchase of Lease	An enable check box indicates that you purchased the lease contract from another party. There is no automatic processing based on this field, but you can use it as a determinant in your tax calculation setups.
Intended Use for Tax	Select the usage basis of the equipment. There is no automatic processes based on this field, but you can use it as a determinant in your tax calculation setups.
Age of Equipment	Enter the age of the equipment if it is not new. There is no automatic processing based on this field, but you can use it as a determinant in your tax calculation setups.
Asset Upfront Tax	<p>Enter the method you want to use for processing any upfront taxes calculated for the contract.</p> <ul style="list-style-type: none"> • Billed: Indicates that any upfront tax is billed upon contract activation. • Capitalized: Indicates you will add the upfront tax amount to the cost of the asset. If you select this method, a capitalized fee will automatically be created and associated to the assets with upfront tax. • Financed: Indicates that you will finance the upfront tax for an asset as a financed fee. The fee will automatically be added to the contract and associated to the assets with upfront tax. You will be required to enter a payment to bill for the financed amount plus interest.
Billing Stream Type	If you selected Billing as the Asset Upfront Tax Method, select a stream type to use on the invoice.

Field	Description
Financed Fee Stream Type	If you selected Financed as the Asset Upfront Tax Method, select a stream type to use on the financed fee line.
Capitalized Stream Type	If you selected Capitalize as the Asset Upfront Tax Method, select a stream type to use on the capitalized fee line.
Tax Schedule Applies	An enabled check box indicates you will generate a tax schedule for tax payments that are due.
Reported by Vendor	<p>Select this checkbox if the taxes are paid by the vendor.</p> <ul style="list-style-type: none"> If this checkbox is selected, the upfront tax amount is added to the fundable amount. You can create an asset funding request to disburse the amount to the vendor. If this checkbox is not selected, the upfront tax is assumed to be paid by the lessor and the tax amount is not added to the fundable amount. <p>The Fundable Amount field reflects the actual fundable amount which is inclusive or exclusive of the upfront tax, based on the selection of this checkbox.</p>

Set Up Billing Terms and Conditions

In order to properly invoice a customer, you must enter where to send invoices, what method the customer uses to make payments, and whether invoices need a manual review by an agent, for example.

Prerequisites

Set up billing addresses, payment methods, and invoice formats.

Billing Terms and Conditions Field References

The following table describes selected fields in the Terms and Conditions Billing Setup page.

You must use Oracle Receivables or another Oracle module that uses Oracle's Trading Community Architecture (TCA) to setup and maintain parties and related customer accounts, addresses, payment methods, and bank accounts.

Field	Description
Bill To Address	The customer billing site from the list of Bill To Addresses you set up for your customer account where invoices are sent.
Payment Method	The method (from the customer's account site) that the customer uses to make payments.
Bank Account	The customer's bank account number if needed for the payment method. The customer record stores bank account numbers along with other customer information.
Cash Application Rules	The cash application rule that you want to be used when processing receipts for this contract's invoices. If you leave this field blank, the default cash application rule will apply for this contract. See <i>Define Cash Application Rules, Oracle Lease and Finance Management Implementation Guide</i> .
Invoice Format	The invoice format group. The invoice group you select determines what appears on the customer's invoices, what billing types are included, whether certain billing types are combined, and whether each leased asset should appear on a separate line. See <i>Oracle Lease and Finance Management Implementation Guide</i> .
Print Lead Days	The print lead days value defined on the contract is used for stream-based and variable rate billing to determine the number of days before the payment due date to create an invoice.
Review Invoice	The Review Invoice check box sorts the customer's invoices during printing preparation for a manual review so you can separate the invoices you do not want to directly mail.
Reason for Review	The reason for the manual review, if applicable.
Review Until Date	The date the manual invoice review ends. After this date, the invoices for this contract are no longer sorted in a separated manner during printing.

Set Up Late Charges and Interest Terms and Conditions

You must set the policies governing late charges and late interest that are applicable to past due invoice amounts and billed to customers who do not make payments by the invoice due date.

Prerequisites

Set up late policies.

Late Charges Field References

You can assess either a late charge or late interest for invoice amounts that are not paid by customers on or before the invoice due date. A late charge is assessed only once on the first billing run that the invoice becomes past due as defined in your late charge policy. Late interest is assessed for each billing period the invoice amount remains outstanding.

The following table describes the fields in the Terms and Conditions Late Charges page.

Field	Description
Late Charges Held Until	The date on which you want to begin applying late charges in the event of late payments.
Late Charge Exempt	Enabled check box indicates that you are not charging the customer late fees for this contract.
Late Charge Policies	The late fee policy that applies to this contract from the list of values. You can set up late charge policies to include a variety of information, such as whether the charge is a flat fee or a percentage, the grace period, and the minimum and maximum amounts assessed as a late charge. This policy also sets a minimum balance, which if the amount due is less than, no late charge is assessed. See <i>Create Late Policies, Oracle Lease and Finance Management Implementation Guide</i> .

Late Interest Field References

The following table describes the fields in the Terms and Conditions Late Interest page.

Field	Description
Late Interest Held Until	The date on which late interest begins being applied to the contract, in the event of late payments.

Field	Description
Late Interest	The late interest policy that applies to this contract from the list of values. You can set up late interest policies to include the maximum and minimum amounts of late interest to charge to the contract, whether the interest rate is fixed or variable, the grace period, and the minimum balance, beneath which no late interest is charged.
Late Interest Exempt	Enabled check box indicates that you are not charging the customer late interest for this contract.

Set Up Renewal Options Terms and Conditions

Renewal options allow you to record information you can use to update a contract for a renewal when the contract is at or near end-of-term. The application does not automatically process the options.

Renewal Options Field References

The following table describes the fields in the Terms and Conditions Renewal Options page.

Field	Description
Renewal Notice Days	The number of days before the end of the term that you are required to notify the customer of the renewal option for this contract.
Renewal Option	The renewal option for the contract.
Renewal Amount	The amount of the renewal option, if required for the selected renewal option method.

Set Up Pre-funding, Security Deposit, Factoring, and Evergreen Terms and Conditions

If the contract specifies them, then you can enter values that govern pre-funding, security deposit, factoring, and evergreen options and settings.

Security Deposit Field References

The following table describes the fields in the Terms and Conditions Security Deposit page.

Field	Description
Held Until Maturity	Enabled check box indicates the security deposit is held until the end date of the contract.
Net From Proceeds	Enabled check box indicates that the security deposit refund is netted from the termination amount paid to terminate a contract.
Held Until Date	The date until which you must hold the security deposit.
Automatically Credit Security Deposit on Expiration	Enabled check box indicates that the Security Deposit will be automatically credited upon expiration of the contract.

Factoring Field References

The following table describes the fields in the Terms and Conditions Factoring page where you can record information you use to factor streams. The factoring calculations and stream modifications are not processed automatically.

Field	Description
Date	The date on which the streams were factored.
Percentage	The percentage amount to factor revenue streams (such as a split between two entities) for the contract.
Discount Rate	The discount rate to factor streams.

Evergreen Eligibility Field References

The following table describes the field in the Terms and Conditions Evergreen Eligibility page.

Field	Description
Evergreen Eligibility Eligible	Enabled check box indicates the contract is eligible for evergreen rents. When the contract passes its initial term end date, evergreen rents are billed until the assets are returned or the contract is terminated.

Evergreen Passthrough Field References

The following table describes the fields in the Terms and Conditions Evergreen Passthrough page. You use this term when you want to share evergreen rents with a third party.

Field	Description
Payout Basis	Select the basis on which evergreen rents are paid to a third party. You can pay them based on when the invoice is billed, when an invoice is partially or fully paid or based on a formula you set up.
Evergreen Formula	If you select the Formula Payout Basis, then you must select the formula name.
Passthrough Stream Type	The stream type you select is used to create the disbursement transaction. The stream type can be used to determine the accounting for the disbursed evergreen rent and appears on the payable invoice line used to make a payment to the payee party.

For information on Prefunding terms and conditions, see Prefunding, page 37-3.

Set Up Residual Value Insurance Terms and Conditions

If the residual value of the lease is insured, then you can enter the details. If you are using an external stream generation engine that supports this feature and want to automatically calculate the amount of residual to insure to obtain a finance lease book classification, then you can select the option and enter the rate for the premium. The pricing engine:

- Determines the minimum amount of the residual that you must insure to classify the lease as direct finance lease.
- Calculates the fee premium for the insurance and automatically adds an expense fee

line to your contract.

Residual Value Insurance Field References

The following table describes the fields in the Terms and Conditions Residual Value Insurance page.

Field	Description
Automatically Calculate Residual Value Insurance	Enabled check box indicates the pricing engine automatically calculates the residual value insurance amount and premium.
Residual Value Insurance Rate	The rate to calculate the premium.
Stream Type	The stream type used on the expense fee created for the insurance premium.

Set Up Filing Options Terms and Conditions

If you plan to file a lien on the contract or hold a title and/or registration, then you can record that information in the terms and conditions. Any lien or title information entered as a term applies to the entire contract. You also can set up filing options at the asset level when you create assets for the contract.

See Choose Asset Filing Options Properties under Set Up Asset Lines.

Liens Field References

The following table describes the fields in the Liens section of the Terms and Conditions Filing Options page.

Field	Description
Lien Type	The Lien type for the filing.
Filing Number	The filing number of the lien
Filing Date	The filing date of the lien.
Status	The status of the lien.

Field	Description
Lien Holder	The party holding the lien from the list of values, if the party is not the lessor.
Jurisdiction	The jurisdiction with which the lien was filed.
Sub-Jurisdiction	The sub-jurisdiction with which the lien was filed.
Expiration Date	The expiration date of the lien filing.
Continuation Number	The continuation number of the lien extension, if applicable.
Continuation Date	The date on which the lien extension expires.

Title and Registrations Field References

The following table describes the fields in the Title and Registrations section of the Terms and Conditions Filing Options page.

Field	Description
Title Type	The type of title or registration held for this contract.
Title Issuer	The name of the organization issuing the title or registration.
Title Date	The date the title was issued.
Title Number	The title document number.
Registration Number	The registration number.
Location	The registered location of the assets.
Title Custodian	The party having physical custody of the title.
Payee Site	The remit to address of the title custodian. Fees to the title custodian are not paid automatically.
Registration Location	The location where the registration was obtained.

Field	Description
Registration Expiration Date	The date the registration expires.

Set Up Asset Return, Repurchase Process Terms and Conditions

After a lessee returns an asset, you must define the information used to set up the asset for resale with a buyer. If you have the right to sell a returned asset to the vendor or another third party, then you set up terms that are used to calculate the repurchase quote.

When you set up a repurchase quote, you use a formula to determine the components of the quote calculation, such as the sale price, discounts and fees. Then for each quote calculation component, you decide:

- A calculation basis. This determines whether to use a fixed amount or a formula to calculate the amount of that quote component.
- A prorate option. The prorate option determines whether the calculation you define is performed for each individual asset or for the entire quote, then prorated to each asset on the quote.

Prerequisites

Define formulas, if you are using them in these terms and conditions.

Asset Return Field References

The following table describes the fields in the Terms and Conditions Asset Return page.

Field	Description
Floor Price Formula	The formula that calculates the minimum price acceptable for remarketing the contract assets, if any.
Remarket Sale Price Formula	The formula that calculates the sale price at which you want to remarket an asset returned from this contract.

Repurchase Quote Calculation Field References

The following table describes the fields in the Terms and Conditions Repurchase Quote Calculation page.

Field	Description
Repurchase Agreement	Enabled check box allows a repurchase option for the program vendor of this contract or another third party.
Repurchase Quote Formula	If you enable a repurchase agreement option, you specify the base formula used to calculate the repurchase quote amounts. This formula must include the options you choose for sales price, discount, and quote fees.
Sale Price Option	The sales price option determines the basis for calculating the repurchase sale amount.
Sale Price Amount	The sale price amount, if the sales price option is a fixed amount.
Sale Price Formula	The sale price formula, if you are using a formula.
Sale Price Prorate	Indicate whether to prorate, not prorate, or calculate and prorate at the line level.
Discount Rate Option	The discount rate option determines the basis for calculating any standard discount on the repurchase quote.
Discount Rate Amount	The discount rate amount, if the amount is fixed.
Discount Rate Formula	The discount rate formula, if you are using a formula.
Discount Rate Prorate	The discount rate prorate option.
Quote Fee Option	The quote fee option, if applicable
Quote Fee Amount	The quote fee amount, if you selected a fixed amount for the quote fee option.
Quote Fee Formula	The quote fee formula, if you selected a formula to figure the quote fee option.
Quote Fee Prorate	The quote fee prorate option.

Set Up Purchase Options Terms and Conditions

For all contracts you must define purchase options, even if there is no option. You determine separate terms for an early termination purchase option and the end-of-term purchase option.

The application uses the purchase option to calculate the purchase amounts on termination quotes when the lessee wishes to terminate the contract and purchase the financed equipment. The purchase option may also impact your deal book or tax classifications.

You determine whether to use a formula to calculate the purchase amount or whether to use a fixed amount. You can set up terms that automatically bill for any fixed purchase options.

You also determine whether to calculate the purchase option values for each line or to prorate whereby the value is calculated for the entire quote, then prorated to each asset line based on asset cost.

Prerequisites

Define formulas, if you are using them in these terms and conditions.

Set up stream types with the stream type purpose of Quote Purchase Amount. For information on the Quote Purchase Amount stream type, see: *Stream Purposes, Oracle Lease and Finance Management Implementation Guide*.

Early Termination Purchase Option, Contract Field References

The following table describes the fields in the Terms and Conditions Early Termination Purchase Options page.

Field	Description
Purchase Option	Indicates whether the purchase option should be a fixed amount, or determined by a formula, if applicable. If no early termination purchase option is allowed, accept the default value of Not Applicable.

Field	Description
Purchase Option Type	<p>The type of purchase option. \$1 Buyout is a fixed purchase option valued at \$1. A fixed purchase option is a predefined fixed price that is agreed to by the lessor/lessee while writing a contract.</p> <p>Note: If you select \$1 Buyout or Fixed Purchase Option, you must select the Automatically Process the Fixed Purchase Option check.</p>
Purchase Option Amount	The purchase option amount, if the purchase option requires a fixed amount.
Purchase Option Formula	The purchase option formula, if the option requires a formula.
Purchase Option Prorate	<p>The purchase option prorate setting you want to use.</p> <p>If you choose Line Calculation, then the formula is run against each of the individual contract lines and no proration occurs.</p>
Purchase Option Maximum Option	<p>The purchase option maximum option, if applicable.</p> <p>If you set a purchase option maximum, then the purchase option price cannot exceed this set price.</p>
Purchase Option Maximum Amount	The maximum amount of purchase option, if you are using a fixed maximum amount.
Purchase Option Maximum Formula	The purchase option formula, if you are using a formula.
Purchase Option Minimum Option	<p>The purchase option minimum option, if applicable.</p> <p>If you set a purchase option minimum, then the purchase option price cannot fall below this set price.</p>
Purchase Option Minimum Amount	The purchase option minimum amount, if you are using a fixed minimum amount.

Field	Description
Purchase Option Minimum Formula	<p>The purchase option minimum formula, if you are using the formula.</p> <p>Note: Maximum and Minimum amounts do not apply if the Purchase Option Type is \$1 Buyout or No Purchase Option.</p>

End of Term Purchase Option, Contract Field References

The following table describes the fields in the Terms and Conditions End of Term Options page.

Field	Description
Purchase Option	The end-of-term purchase option, if applicable. If an end-of-term purchase option is not allowed, select Not Applicable and then select No Purchase Option in the following step.
Purchase Option Type	<p>The type of purchase option. \$1 Buyout is a fixed purchase option valued at \$1. A fixed purchase option is a predefined fixed price that is agreed to by the lessor/lessee while writing a contract.</p> <p>Note: If you select \$1 Buyout or Fixed Purchase Option, you must select the Automatically Process the Fixed Purchase Option check.</p>
Purchase Option Amount	The purchase option amount, if the purchase option requires a fixed amount.
Purchase Option Formula	The purchase option formula, if the purchase option requires a formula.

Field	Description
Purchase Option Prorate	<p>The purchase option prorate setting that you want to use.</p> <p>Note: If you choose Line Calculation, then the formula is run against each of the individual contract lines and no proration occurs.</p>
Purchase Option Maximum Option	The purchase option maximum option, if applicable.
Purchase Option Maximum Amount	The purchase option maximum amount, if you are using a fixed maximum amount. If you set a purchase option maximum amount, the purchase option price cannot exceed this amount.
Purchase Option Maximum Formula	The purchase option maximum formula, if you are using a formula.
Purchase Option Minimum Option	The purchase option minimum option, if applicable.
Purchase Option Minimum Amount	The purchase option minimum amount, if you are using a fixed minimum amount.
Purchase Option Minimum Formula	<p>The purchase option minimum formula, if you are using a formula.</p> <p>Note: Maximum and Minimum amounts do not apply if the Purchase Option Type is \$1 Buyout or None.</p>

Field	Description
Automatically Process Fixed Purchase Option	<p>Selecting the Automatically Process the Fixed Purchase Option check box is optional.</p> <p>Note: If you select the Automatically Process the Fixed Purchase Option check box, you must have selected \$1 Buyout or Fixed Purchase Option as the type of purchase option. Additionally, you must not select the Evergreen Eligible check box while authoring the contract in the Create Service page, Create Fee page, or Terms and Conditions page. If you select the Automatically Process the Fixed Purchase Option check box, an invoice is automatically generated for the purchase option amount at the end of the life of the contract, and the sale of the asset to the lessee is processed. Whether you select the Automatically Process the Fixed Purchase Option check box is dependent on whether you intend to automatically process the purchase option selected by the lessee as the type of purchase option.</p> <p>If the Automatically Process the Fixed Purchase Option check box is not selected, the asset is returned to the lessor.</p>

Set Up Termination Quote Process Terms and Conditions

You specify parameters that determine which types of termination and termination quotes are allowed for the contract.

Manual termination quote processes are allowed for all contracts; you can restrict the contract to manual termination quotes only.

Automatic termination quote processes will use calculated parameters values that you set up in the termination quote *calculation* terms and conditions. See Set Up Early Termination Quote Calculation Terms and Conditions, page 10-35 and Set Up End-of-Term Termination Quote Calculation Terms and Conditions, page 10-42.

You can specify whether early termination is allowed for the contract. You set the parameter, End of Term Tolerance Days, that defines how many days prior to the end of term date you consider an acceptable tolerance to still use end-of-term quote calculations. Any termination prior to that is considered an early termination.

You can specify whether partial termination is allowed, that is, whether part of the contract can be terminated.

You can also specify other termination quote parameters, such as gain/loss information, quote approver, and the parties to whom you want to send the termination quote.

Prerequisites

Define formulas, if you are using them in these terms and conditions.

Termination Quote Process Field References

The following table describes the fields in the Terms and Conditions Termination Quote Process page.

Field	Description
Manual Quotes Only	Enabled check box indicates that you do not want to allow automatic termination quotes.
Early Termination Allowed	Enabled check box allows early termination
First Termination Date	The earliest possible termination date, if applicable.
Send Bill of Sale	Enabled check box allows the bill of sale to be sent to lessee.
Quote Effective Days	<p>The number of days you want the termination quote to remain in effect after the date that you create the termination quote.</p> <p>This value determines the default expiration date that appears when you are creating termination quotes for specific assets.</p>
Quote Effective Maximum Days	<p>The maximum number of days you want the user to be able to manually adjust the Effective To date.</p> <p>For example, if the Quote Effective Days in step 6 is 30, and you set the Quote Effective Maximum Days for 40, the user in Asset Management can extend the End Date by 10 days.</p>
End of Term Tolerance Days	The number of days that the end-of-term agreement day is still in effect.

Field	Description
	If you set a tolerance of 10 days, for example, a deal that terminates nine days prior to the Termination End Date still qualifies as an End of Term termination.

Gain/Loss Options on Termination Quote Field References

The following table describes the fields in the Terms and Conditions Gain/Loss Options on Termination Quote page.

Field	Description
Approval Required	Enabled check box indicates the partial termination requires approval when the partial termination generates a financial impact (Gain/Loss).
Net Quote Option	The Net Quote Option, if applicable. Allow for a Net Quote Option if you want to offset some amount against the quote option in the event that a partial termination is exercised.
Net Quote Amount	The Net Quote Amount, if the Net Quote is a fixed amount.
Net Quote Formula	The Net Quote Formula, if you are using a formula.
Tolerance Allowed Option	The tolerance allowed option, if applicable.
Tolerance Allowed Amount	The amount of variance between the actual termination amount and the net quote amount (figured by fixed amount or formula). This field accepts positive and negative numbers. Positive numbers are assumed; to enter a negative number, use a dash (-) in front of the number. In the case of negative numbers, the figure entered is the amount of a loss you are allowing. With positive numbers, this is the amount over the Net Quote figure that you require to accept the quote.

Field	Description
Tolerance Allowed Formula	The Tolerance Allowed formula, if you are using a formula.

Quote Approver Field References

The following table describes the fields in the Terms and Conditions Quote Approver page.

Field	Description
Approver	The party to approve the termination quote before it is sent.
Advance Notice	The party who receives notification before the quote is sent.
Delay Days	The number of days to delay before the quote is sent, when you specify an Advance Notice party.

Note: All the fields are optional. However if you choose to select and enter values in this section, then you must observe the following guidelines:

- If you specify the Approver, then you must not specify Advance Notice nor Delay Days.
- If you specify the Advance Notice party, then you must also specify Delay Days, and you must not specify the Approver.

Quote Courtesy Copy Field References

The following table describes the fields in the Terms and Conditions Quote Courtesy Copy page.

Field	Description
Courtesy Copy	The party to notify for informational purposes.

Quote Recipient Field References

The following table describes the fields in the Terms and Conditions Quote Recipient page.

Field	Description
Main Recipient	The main recipient for the quote.
Additional Recipient	The additional recipient, if you want to have another recipient for the quote.
Allocation Percentage	The percentage by which you are splitting the billing for the additional recipient.

Conditions for Partial Termination Quote Field References

The following table describes the fields in the Terms and Conditions for Partial Termination Quote page.

Field	Description
Approval Required	Enabled check box indicates that a partial termination requires approval.
Partial Termination Allowed	Enabled check box enables partial termination.

Set Up Early Termination Quote Calculation Terms and Conditions

If you allow early termination of the contract, you must set up the details for calculating the quote. The calculations used to create an early termination quote work in concert with the early termination purchase option parameters you input earlier (see Set Up Purchase Options Terms and Conditions, page 10-27) to settle the financial obligations of the contract at termination.

The components you can use to calculate the quote include contract obligation, purchase amount, discount rates, quote fee, return fee, rollover incentive, security deposit, and termination penalty.

The primary termination quote formula you select determines the components that will be used in your termination quotes. Your formula must use one or more of the seeded operands. Any operand you do not include in your termination quote formula will not be calculated or included in your quote total.

The following table shows the seeded operands that you can use to create termination quote formulas.

Available Operands for Termination Quote Formulas

Operand Name	Description	Corresponding Terms & Conditions Heading
AMBCOC	Contract Obligation	Contract Obligation
AMCTOC	Principal Balance	Contract Obligation
AMCTUR	Unbilled Receivables	Contract Obligation
AMBPOC	Purchase Amount	Purchase Options (screen)
AMCQDR	Discount	Discount Rate
AMCTPE	Termination Penalty	Termination Penalty
AMCSDD	Security Deposit Disposition	Security Deposit
AMCRFE	Return Fee	Return Fee
AMCRIN	Rollover Incentive	Rollover Incentive
AMCQFE	Quote Fee	Quote Fee
AMYOUNB	Outstanding Balance	Outstanding Balances
AMYSAM	Service and Maintenance	Service and Maintenance
AMCTAX	Tax / VAT	Tax / VAT
AMBSPR	Sale Price	Sale Price
AMPRTX	Estimated Property Tax	Estimated Property Tax
AMYFEE	Contractual Fee	Contractual Fees

Each seeded operand relates to a corresponding quote component. Each seeded operand can be modified to include any calculation you want to use for the related quote component, but you must use the operands specified. For each quote component, other terms you enter will be used to determine how the formula operand amount is

derived.

Oracle Lease and Finance Management has seeded formulas that correspond with the Termination Quote Formula and each of the Terms. See Define Formulas, *Oracle Lease Management Implementation Guide*.

When you enter terms for the quote components you can determine the basis for calculation. The basis may be a fixed amount or a formula. If you select fixed amount, you must enter an amount. If you select formula, you must select a formula that includes the seeded operands for that component. You also determine a prorate option. The prorate option determines whether the calculation will be executed for each line or prorated whereby the calculation is done for all assets on the termination quote and then prorated to each asset line based upon asset cost.

The terms you enter are only valid for the contract being authored and not other contracts you may enter later. The terms only apply for early termination quotes. This includes termination dates that fall before the end of term tolerance. To determine the end of term tolerance, the tolerance days from the terms and conditions Termination Quote Process are subtracted from the contract end date. Any termination date that falls before that date uses the terms for Early Termination Quotes to calculate quote amounts.

To specify terms for calculating termination quotes after the end of term tolerance date, enter values in the terms and conditions for End of Term Termination Quote Calculations.

Prerequisites

Define formulas, if you are using them in these terms and conditions.

Termination Quote Calculation - Early Termination, Contract Field References

The following table describes the fields in the Terms and Conditions Termination Quote Calculation – Early Termination page.

Field	Description
Termination Quote Formula	The formula that calculates the termination quote, if applicable. The formula should consist of one or more of the seeded operands that correspond to the quote components.
Contract Obligation Option	The contract obligation option, if applicable. The contract obligation is the amount you want to charge for the remaining contractual payments associated to assets.

Field	Description
Contract Obligation Amount	The Contract Obligation Amount, If you are using a fixed amount for the contract obligation.
Contract Obligation Formula	<p>The Contract Obligation Formula, If you are using a formula. The seeded operand calculates the sum of the unbilled (future) rents, plus unpaid fees, discounted to the termination date and reduced by any advanced rent paid.</p> <p>Note: Contract Obligation formulas must include either the AMCTOC (Principal Balance) or the AMCTUR (unbilled receivables) operand in the formula. Also, the corresponding operand must be included in the Quote Calculation formula. You can include the contract obligation operand (AMBCOC) in the top formula and in the contract obligation formula to account for any additional amounts.</p>
Contract Obligation Prorate	The prorate option for the contract obligation. If you choose Line Calculation, then the formula is run against each of the individual contract lines and no proration occurs.
Financed Service Obligation Option	Select the Use Fixed Amount or Use Formula option from the list of values.
Financed Service Obligation Amount	Enter the amount, if you selected the Use Fixed Amount option.
Financed Service Obligation Formula	If using the Use Formula option, select seeded formula - QUOTE_SERV_UNBILLED_PRIN.
Financed Service Obligation Prorate	Select Line Calculation Only or No Proration option from the list of values.
Discount Rate Option	The discount rate option, if you have negotiated a discount rate for the early termination. A discount rate will reduce the amount of the termination quote at the rate specified. If no discount rate is figured into the quote calculation, select the default: Not Applicable.

Field	Description
Discount Rate Amount	The Discount Rate Amount, if you are using a fixed amount for the discount rate.
Discount Rate Formula	The Discount Rate Formula, if you are using a formula.
Discount Rate Prorate	The prorate option for the discount rate.
Quote Fee Option	The quote fee option, if you have negotiated a quote fee for the early termination. The quote fee will increase the amount of the termination quote. If you elect to waive the quote fee, select the default: Not Applicable.
Quote Fee Amount	The Quote Fee Amount, if you are using a fixed amount for the quote fee.
Quote Fee Formula	The Quote Fee Formula, if you are using a formula.
Quote Fee Prorate	The prorate option for the quote fee.
Return Fee Option	The return fee option, if you have negotiated a return fee for the asset as part of the early termination quote. A return fee will increase the amount of the termination quote. If you elect to waive the return fee, select the default: Not Applicable.
Return Fee Amount	The Return Fee Amount, if you are using a fixed amount for the return fee.
Return Fee Formula	The Return Fee Formula, if you are using a formula.
Return Fee Prorate	The prorate option for the return fee.
Rollover Incentive Option	The rollover incentive option, if it applies. A rollover incentive amount will reduce the quote amount if the quote type is "rollover". Rollover quotes are calculated termination amounts you intend to finance as a fee on a new contract for the same customer. If you are not supplying a rollover incentive, select the default: Not Applicable.

Field	Description
Rollover Incentive Amount	The Rollover Incentive Amount, if you are using a fixed amount for the rollover incentive.
Rollover Incentive Formula	The Rollover Incentive Formula, if you are using a formula.
Rollover Incentive Prorate	The prorate option for the rollover incentive.
Security Deposit Disposition Option	<p>The security deposit disposition option, if you have negotiated a security deposit disposition.</p> <p>If you are not including the security deposit in the termination calculation, select the default: Not Applicable. (For example, there may be no security deposit for the contract, or you may have already returned the security deposit, for example.)</p>
Security Deposit Disposition Amount	The Security Deposit Disposition Amount, if you are using a fixed amount for the security deposit.
Security Deposit Disposition Formula	The Security Deposit Disposition Formula, if you are using a formula.
Security Deposit Disposition Prorate	The prorate option for the security deposit.
Termination Penalty Option	The termination penalty option, if you have negotiated a penalty amount for an early termination. A termination penalty will increase the amount of the termination quote. If there is no termination penalty, select the default: Not Applicable.
Termination Penalty Amount	The Termination Penalty Amount, if you are using a fixed amount for the termination penalty.
Termination Penalty Formula	The Termination Penalty Formula, if you are using a formula.
Termination Penalty Prorate	The prorate option for the termination penalty.
Termination Penalty Cap Option	The termination penalty cap option to determine the cap, if you are setting a penalty cap amount. The total termination penalty cannot exceed this value.

Field	Description
Termination Penalty Cap Amount	The Termination Penalty Cap Amount, if you are using a fixed amount for the termination penalty cap.
Termination Penalty Cap Formula	Termination Penalty Cap Formula, if you are using a formula.
Expense Fee Formula	This formula will determine the amount to add to the termination quote to recover the cost of any expense fees on the contract.
Financed Fee Formula	This formula will determine the amount to add to the termination quote to recover the amount of any unpaid financed fees on the contract.
General Fee Formula	This formula will determine the amount to add to the termination quote to recover the cost or unpaid amounts associated to general fees on the contract.
Income Fee Formula	This formula will determine the amount to add to the termination quote to recover any unpaid income fees on the contract.
Miscellaneous Fee Formula	This formula will determine the amount to add to the termination quote to recover the cost of unpaid amounts associated to a miscellaneous fee on the contract.
Passthrough Fee Formula	This formula will determine the amount to add to the termination quote to recover the amount of any unpaid pass through fees on the contract.
Estimated Property Tax Option	The estimated property tax option, if you are including estimated property taxes in the early termination quote. The amount of any estimated property tax will be added to the termination quote amount. If there is no estimated property tax, select the default: Not Applicable.
Estimated Property Tax Amount	The Estimated Property Tax Amount, if you are using a fixed amount for the estimated property tax.

Field	Description
Estimated Property Tax Formula	The Estimated Property Tax Formula, if you are using a formula.
Estimated Property Tax Prorate	The prorate option for the estimated property tax amount.
Rollover Fee	This formula determines the amount to add to the termination quote to recover the amount for any unpaid rollover fees on the contract.
Contractual Fees Option	Enabled check box includes contractual fees in the calculation of the quote amount.
Outstanding Balances Option	Enabled check box indicates that outstanding balances from billed invoices are included on the termination quote. The outstanding amounts are not part of the termination amount, but are displayed on the quote as a separate item.
Service and Maintenance Option	Enabled check box indicates that outstanding payments for services will be included on the quote.
Service and Maintenance Formula	This formula determines the amount to add to the termination quote to recover the amount for any unpaid service payments on the contract.

Set Up End-of-Term Termination Quote Calculation Terms and Conditions

Prerequisites

Define formulas, if you are using them in these terms and conditions.

Termination Quote Calculation - End of Term, Contract Field References

The following table describes the fields in the Terms and Conditions Termination Quote Calculation – End of Term page.

Field	Description
Termination Quote Formula	The Termination Quote formula that calculates the termination quote.
Contract Obligation Option	The contract obligation option, if applicable. The contract obligation is the sum of the unbilled (future) rents, plus unpaid fees, discounted back against the contract and reduced by advanced rent paid.
Contract Obligation Amount	The Contract Obligation Amount, if you are using a fixed amount for the contract obligation.
Contract Obligation Formula	<p>The Contract Obligation Formula, if you are using a formula.</p> <p>Note: Contract Obligation formulas must include either the AMCTOC (Principal Balance) or the AMCTUR (unbilled receivables) operand in the formula. Also, the corresponding operand must be included in the Quote Calculation formula. You can include the contract obligation operand (AMBCOC) in the top formula and in the contract obligation formula to account for any additional amounts.</p>
Contract Obligation Prorate	The prorate option for the contract obligation. If you choose Line Calculation, then the formula is run against each of the individual contract lines and no proration occurs.
Discount Rate Option	The discount rate option, if you have negotiated a discount rate for the end of term termination. If no discount rate is figured into the quote calculation, then select the default: Not Applicable.
Discount Rate Amount	The Discount Rate Amount, if you are using a fixed amount for the discount rate.
Discount Rate Formula	The Discount Rate Formula, if you are using a formula.

Field	Description
Discount Rate Prorate	The prorate option for the discount rate. If you choose Line Calculation, then the formula is run against each of the individual contract lines and no proration occurs.
Quote Fee Option	The quote fee option, if you have negotiated a quote fee for the end of term termination. If you elect to waive the quote fee, then select the default: Not Applicable.
Quote Fee Amount	The Quote Fee Amount, if you are using a fixed amount for the quote fee.
Quote Fee Formula	The Quote Fee Formula, if you are using a formula.
Quote Fee Prorate	The prorate option for the quote fee. If you choose Line Calculation, then the formula is run against each of the individual contract lines and no proration occurs.
Return Fee Option	The return fee option, if you have negotiated a return fee for the asset as part of the end of term termination quote. If you elect to waive the return fee, then select the default: Not Applicable.
Return Fee Amount	The Return Fee Amount, if you are using a fixed amount for the return fee.
Return Fee Formula	The Return Fee Formula, if you are using a formula.
Return Fee Prorate	The prorate option for the return fee. If you choose Line Calculation, then the formula is run against each of the individual contract lines and no proration occurs
Rollover Incentive Option	The rollover incentive option, if you have included a rollover incentive, which allows the contract to roll over into a new contract. If you are not supplying a rollover incentive, select the default: Not Applicable.

Field	Description
Rollover Incentive Amount	The Rollover Incentive Amount, if you are using a fixed amount for the rollover incentive.
Rollover Incentive Formula	The Rollover Incentive Formula, if you are using a formula.
Rollover Incentive Prorate	<p>The prorate option for the rollover incentive.</p> <p>If you choose Line Calculation, then the formula is run against each of the individual contract lines and no proration occurs.</p>
Security Deposit Disposition Option	<p>The Security Deposit option, if you have negotiated a security deposit disposition.</p> <p>If you are not including the security deposit in the termination calculation, select the default: Not Applicable. (For example, there may be no security deposit for the contract, or you may have already returned the security deposit, for example.)</p>
Security Deposit Disposition Amount	The Security Deposit Disposition Amount, if you are using a fixed amount for the security deposit.
Security Deposit Disposition Formula	The Security Deposit Disposition Formula, if you are using a formula.
Security Deposit Disposition Prorate	<p>The prorate option for the security deposit.</p> <p>If you choose Line Calculation, then the formula is run against each of the individual contract lines and no proration occurs.</p>
Termination Penalty Option	<p>The termination penalty option, if you have negotiated a penalty amount for an end of term termination.</p> <p>If there is no termination penalty, select the default: Not Applicable</p>
Termination Penalty Amount	The Termination Penalty Amount, if you are using a fixed amount for the termination penalty.

Field	Description
Termination Penalty Formula	The Termination Penalty Formula, if you are using a formula.
Termination Penalty Prorate	<p>The prorate option for the termination penalty.</p> <p>If you choose Line Calculation, then the formula is run against each of the individual contract lines and there is no proration.</p>
Termination Penalty Cap Option	The termination penalty cap option, if you are setting a penalty cap amount.
Termination Penalty Cap Amount	The Termination Penalty Cap Amount, if you are using a fixed amount for the termination penalty cap.
Termination Penalty Cap Formula	The Termination Penalty Cap Formula, if you are using a formula.
Expense Fee Formula	
Financed Fee Formula	
General Fee Formula	
Income Fee Formula	
Miscellaneous Fee Formula	
Passthrough Fee Formula	
Estimated Property Tax Option	<p>The estimated property tax option, if you are including estimated property taxes in the end of term termination quote.</p> <p>If there is no estimated property tax, select the default: Not Applicable.</p>
Estimated Property Tax Amount	The Estimated Property Tax Amount, if you are using a fixed amount for the estimated property tax.

Field	Description
Estimated Property Tax Formula	The Estimated Property Tax Formula, if you are using a formula.
Estimated Property Tax Prorate	The prorate option for the estimated property tax amount. If you choose Line Calculation, then the formula is run against each of the individual contract lines and there is no proration.
Rollover Fee	
Contractual Fees Option	Enabled check box includes Contractual Fees in the calculation.
Outstanding Balances Option	Enabled check box includes outstanding balances in the calculation. Oracle Lease and Finance Management accesses Receivables to return this amount.
Service and Maintenance Option	Enabled check box includes Service and Maintenance fees in the calculation.
Service and Maintenance Formula	The Service and Maintenance Formula, if applicable.

Termination Quote Calculation - End of Term Termination

You must enter terms for calculating an end of term termination quote for your contracts. The terms are used to calculate the amount due for termination of the contractual payments on the contract. If you use a termination quote type With Purchase, then you must also set up purchase options. (See Set Up Purchase Options Terms and Conditions, page 10-27) to settle the financial obligations of the contract at termination.

The components you can use to calculate the quote include contract obligation, purchase amount, discount rates, quote fee, return fee, rollover incentive, security deposit, and termination penalty.

The primary termination quote formula you select determines the components that will be used in your termination quotes. Your formula must use one or more of the seeded operands. Any operand you do not include in your termination quote formula will not be calculated or included in your quote total.

The following table shows the seeded operands that you can use to create termination

quote formulas.

Available Operands for End of Term Termination Quote Formulas

Operand Name	Description	Corresponding Terms & Conditions Heading
AMBCOC	Contract Obligation	Contract Obligation
AMCTOC	Principal Balance	Contract Obligation
AMCTUR	Unbilled Receivables	Contract Obligation
AMBPOC	Purchase Amount	Purchase Options (screen)
AMCQDR	Discount	Discount Rate
AMCTPE	Termination Penalty	Termination Penalty
AMCSDD	Security Deposit Disposition	Security Deposit
AMCRFE	Return Fee	Return Fee
AMCRIN	Rollover Incentive	Rollover Incentive
AMCQFE	Quote Fee	Quote Fee
AMYOUB	Outstanding Balance	Outstanding Balances
AMYSAM	Service and Maintenance	Service and Maintenance
AMCTAX	Tax / VAT	Tax / VAT
AMBSPR	Sale Price	Sale Price
AMPRTX	Estimated Property Tax	Estimated Property Tax
AMYFEE	Contractual Fee	Contractual Fees

Each seeded operand relates to a corresponding quote component. Each seeded operand can be modified to include any calculation you want to use for the related quote component, but you must use the operands specified. For each quote component, other terms you enter will be used to determine how the formula operand amount is derived.

Oracle Lease and Finance Management has seeded formulas that correspond with the Termination Quote Formula and each of the terms. See: *Formulas, Oracle Lease and Finance Management Implementation Guide*.

When you enter terms for the quote components you can determine the basis for calculation. The basis may be a fixed amount or a formula. If you select fixed amount, you must enter an amount. If you select formula, you must select a formula that includes the seeded operands for that component. You also determine a prorate option. The prorate option determines whether the calculation will be executed for each line or prorated whereby the calculation is done for all assets on the termination quote and then prorated to each asset line based upon asset cost.

The terms you enter are only valid for the contract being authored and not other contracts you may enter later. The terms only apply for end of term termination quotes. This includes termination dates that fall within the end of term tolerance. To determine the end of term tolerance, the tolerance days from the terms and conditions Termination Quote Process are subtracted from the contract end date. Any termination date that falls after that date uses the terms for End of Term Termination Quotes to calculate quote amounts.

To enable and allow early terminations, you must select the Early Termination allowed option from the Termination Quote Process terms and conditions and enter terms for Early Termination Quote Calculation.

Set Up Contract Portfolio Terms and Conditions for Asset Tracking (Optional)

You can set up a contract portfolio to manage the contract profitability during its life in this section. The contract portfolio allows you to enter your expected profit budget for the contract (either as a fixed amount or through the use of a formula), which you can subsequently track by initiating a concurrent program.

The budget amount entered in the contract portfolio (which represents the amount of profit you expect to make through the life of the contract) is stored when you book a contract and does not change if you rebook the contract. In this way, you can track a contract through multiple revisions, while maintaining an accurate account of the budget set at the time of original booking.

You can also set up a notification schedule and contract management strategy, if you want to take actions on the contract prior to the contract's end of term. For example, if you want to contact your equipment vendor to inquire about upgrades, you can set up a notification schedule to implement this process.

Oracle Lease and Finance Management runs a concurrent program, which sends a notification of the strategy you want to employ to the assigned asset management team on the specified notification date.

Note: After a contract is booked during authoring, you cannot make any changes to the contract portfolio using the contract authoring or revision process. Any post-booking changes must be made using the

contract portfolio management pages. See Maintaining Contract Portfolios, page 28-1.

Prerequisites

You must define an assignment group.

Define a budget amount formula, if applicable.

Contract Portfolio Field References

The following table describes the fields in the Terms and Conditions Contract Portfolio page.

Field	Description
Approval Required (check box)	Enabled check box allows the contract portfolio you are creating to be approved prior to booking by initiating an Oracle workflow process that notifies the appropriate manager to approve the portfolio.
Assignment Group	The asset management team you want to send notification to regarding the applicable portfolio.
Budget Amount Option	The method you want to calculate the contract budget, if any.
Budget Fixed Amount	The amount of budget, if you choose a fixed amount.
Budget Amount Formula	The Budget Amount Formula, if you choose a formula.
Days from Contract Expiration	The amount of days from the contract expiration that you want to implement your portfolio strategy.
Strategy	The strategy that you want to implement. This strategy is a text message that is included with the notification that you are sending to the assignment group (for example, "Initiate contract to purchase through letter)."

Create Sales Tax Details

You set up tax details in terms and conditions that are used for calculating and managing taxes related to the contract. You also have some tax options you can set for individual assets. Before you can calculate taxes for a contract or an asset, you must

perform additional setups.

For more information on sales tax, see Sales Tax, page 12-1.

Taxes and Duties Field References

The following table describes the fields in the Terms and Conditions Taxes and Duties page.

Field	Description
Property Tax Applicable (check box)	An enabled check box allows you to calculate and bill for actual or estimated property tax for the contract.
Lessee to report (check box)	An enabled check box is for your information purposes to indicate when the lessee has responsibility for calculating, reporting and payment of property taxes for the contract.
Bill Tax	<p>You select an option for billing property tax during the life of the contract. You can select from the following values:</p> <ul style="list-style-type: none">• None – No property tax will be billed during the life of the contract.• Actual – Only actual property tax invoices that you calculate and import can be billed.• Estimated – You bill for estimated property taxes only and the actual amount is not reconciled to the estimate.• Estimated and Actual – You bill for estimated property taxes and after you calculate and import actual property tax invoices, you can automatically reconcile and produce billing adjustments.
Update Lines from Contract	If you select this check box, then the sales tax details you enter in this region will default to the asset line level when you create an asset. If you copy an asset from another asset, the new asset will contain details from the copied asset, not from the default.

Field	Description
Interest Disclosed	Indicates the interest amount payable on the contract has been disclosed to the customer. This is an information field only. This may impact your transactional taxes for the contract if you setup your tax rules to use this field.
Transfer of Title	Indicates the title to the assets has been transferred to the customer on the start of the contract. This is an information field only. This may impact your transactional taxes for the contract if you setup your tax rules to use this field.
Sale and Lease Back	Indicates the asset on the contract has been purchased from customer, the lessee, at the start of the contract. This is an information field only. This may impact your transactional taxes for the contract if you setup your tax rules to use this field.
Purchase of Lease	Indicates the lease has been purchased from another lessor. This is an information field only. This may impact your transactional taxes for the contract if you setup your tax rules to use this field.
Intended Use for Tax	Indicates the nature of the usage of equipment. This is an information field only. This may impact your transactional taxes for the contract if you setup your tax rules to use this field.
Age of Equipment	Indicates the length of period of use. This is an information field only. This may impact your transactional taxes for the contract if you setup your tax rules to use this field.
Asset Upfront Tax	Determines whether the sales tax is Billed, Financed, or Capitalized.
Billing Stream Type	If upfront tax is billed, then select the stream type for the invoice lines.
Financed Fee Stream Type	If upfront tax is financed, then the stream type for the financed fee line.

Field	Description
Capitalized Fee Stream Type	If upfront tax is capitalized, then the stream type for the capitalized fee line.
Tax Schedule Applies (check box)	

Configure Contract Lines

When you set up your contract, you can add lines to the contract that represent the financed items as well as other fees and services you include in your deals. Typically, in commercial equipment financing, a deal has at least one asset line. An asset line represents the physical asset being financed. A single asset line may contain multiple units.

For example, if the asset being financed was a copy machine and you are financing 10 units. If the only difference between each copy machine was the serial number, only one asset line is required. You can specify there are 10 units and record the different serial numbers. All item codes you use to set up asset lines must be set up in Oracle Inventory prior to authoring a contract. If you are financing re-leased assets, the asset must be in the correct status in order for you to select it when creating contract asset lines.

Other contract lines have a primary identifier for defining a line, too. For fee lines, you select a stream type, for service lines you select an inventory item marked specifically as a service item and for usage lines; you select a counter (meter). These must all be set up prior to selecting them for defining a contract line.

Oracle Lease and Finance Management enables you to configure the following contract lines:

- Asset
- Fee
- Service
- Usage

Items you intend to finance, such as assets, financed fees, and rollover fees, you add using the Configuration subtab from the Contract Details page. Additional fees and services, including insurance and usage, are added in the Additional Charges subtab. The Configuration sub tab is divided into separate sections for managing asset lines and other finance fees such as Financed and Rollover type fees.

Set Up Configuration Asset Lines

If you are authoring a new contract, you must add the appropriate asset lines to the contract configuration. To add an asset line, select the appropriate equipment item from a list that is stored in Oracle Inventory. You also enter the quantity of items--a single asset can contain multiple units--and enter other relevant information such as a description of the asset, unit cost, model, manufacturer, installed site, and the fixed asset location. You also enter the residual value details of the asset.

Use the Configuration subtab in the Lease Contracts tab to search, create, update, duplicate, and remove the assets associated with a contract. The search results include relevant information about the asset line, including asset number, year, make, description, units, cost, vendor, location, and residual amount. This table is empty if you are authoring a new contract. If you want to view both original assets and split assets, you select the Include Split Assets check box. You can limit your asset search by selecting to filter the asset search results by Supplier, Serial Number or Asset Number. Only those asset lines on the contract that match your search criteria are displayed.

If the contract involves real estate and is classified as a loan, you can also create an asset line for Real Estate. See: Set Up Asset Real Estate Lines on a Loan. When you book, or activate, the contract, Oracle Lease and Finance Management creates asset records in Oracle Assets for assets on non-loan contracts. You use Oracle Assets to manage the depreciation expenses for the assets while they are on your contract and after the assets become off lease. When you set up asset lines on your contract, you can add or default references that are used to create the asset record in Oracle Assets. These values enable you to use features available in Oracle Assets to recognize and account for depreciation expenses. You set up a default asset book for accounting corporate book depreciation in the Setup tab under System Options > Operational Options. You can also set up a default reporting depreciation book if you generate accounting for multiple books (multi-GAAP accounting). You can also determine whether to default depreciation parameters for new or imported assets.

A lessee account for a contract can use the addresses of related parties as their Install At sites by selecting the Enable Related Party Install At checkbox in the system options and relating the parties in Oracle Receivables. Once selected, this system option cannot be switched off.

For more information on using Oracle Assets for depreciation expense accounting and other asset management features, see *Oracle Assets User Guide*.

Prerequisites

Set up all equipment items in *Oracle Inventory*. You must also set up your users to work with a specific inventory organization in the Setup tab for System Options > Operational Options. Inventory items must be associated with default asset categories if you want to automatically populate depreciation parameters for the assets added to contracts.

You must have created a contract and entered the mandatory contract details to begin

entering assets. Additionally, you must have installed locations.

Steps

Perform the following steps in the Configuration subtab of the Contract Details page:

1. To create a new asset line, click the Create button. The Create Asset page appears.
2. Enter a required unique alphanumeric value in the Asset Number field.
3. Select an inventory item for the asset.
4. Enter a description of the asset line.
5. Enter the number of units for the line. Each unit has the same information other than serial number.
6. Enter the unit cost of the item.
7. Select the applicable asset key. The asset key allows you to categorize your assets once they are created in Oracle Assets upon contract activation.
8. If this is a Prescribed Asset, for Canadian filing purposes, select the check box. You can use the identifier when you search for assets to report.
9. Optionally, enter the model type of the asset.
10. Optionally, enter the manufacturer of the asset.
11. Optionally, enter the year of the manufacture.
12. At the Installed Site field, click the flashlight icon, and select the address where the asset is located or installed. The list of addresses you can choose from are the Installed Site locations you set up for the customer record in Oracle Receivables.
13. At the Fixed Asset Location field, click the flashlight icon, and select the location for the asset from the list of values. The Fixed Asset Location is a key flexfield you set up in Oracle Assets and assign to your asset records. This is not a physical address location, but a location identifier that you can use for managing the financial aspects of your assets related to their location, such as property tax.
14. Specify the expected delivery and funding dates for the asset. These dates impact the financial calculations of the contract and the defaults the depreciation start date. If you do not enter a date, the contract Effective From (start) Date is used as the default value.
15. Under the Residual section, enter the Percent of the asset cost that represents the residual amount of the asset.

16. Alternatively, enter an amount of the residual for the total line cost.
If you choose to enter a residual percentage, then the calculated amount automatically appears in this field.
17. If there is a Guarantor for the residual, select the role of the guarantor from the list of values.
18. Enter the amount of the residual guarantee.

Note: Residual guarantees are not automatically processed at the contract end of term.
19. If you enabled descriptive flexfields for the contract asset line, then enter the applicable additional information for the asset.
20. Click Apply to save and create the asset. After you save the basic asset details, you can update or enter additional asset line information.

Authoring Contract Assets with Zero or Low Cost Net Book Value

These are cases where an asset/item has reached its useful life or end of term, but you may want to continue using the asset and require servicing of that asset. Oracle Lease and Finance Management supports the following:

- Authoring contracts for assets with zero/low cost net book value.
- Renewal and re-lease contracts for assets with zero/low cost net book value.
- Billing of zero/low cost assets.

Steps

To author contract assets with zero or low cost net book value perform the following:

1. Enable the system option **Enable Exclude from Yield Calculation** to exclude from yield calculation for assets defined as zero/low unit cost.

If this system option is disabled, then no exclusion from yield calculation will appear or made available for selection for any assets where unit cost is zero/low. By default, the value of system option Enable Exclude from Yield Calculation is No.

2. Create and Update Zero/Low Cost Assets on a Contract. You can define zero/low cost assets on Direct Finance and Operating lease contracts. You must associate a payment schedule for the asset, which is used to generate the rent payment billable stream. You can define assets with zero/low cost by excluding them from the yield calculation. In the contracts asset page, if the system option Enable Exclude from Yield Calculation is enabled:

- You can select Exclude from Yield Calculation for assets where the unit cost is zero/low cost.
- Add asset validation to check that the Exclude from Yield Calculation checkbox must be selected for assets with zero cost. Display error during asset creation when you define the asset with unit cost equal to zero and the Exclude from Yield Calculation checkbox is not selected. Indicate that the asset has no cost and the Exclude from Yield Calculation checkbox must be selected.
- Asset association to fee and service – the association cost cannot be automatically calculated, you must enter the cost during the contract creation or contract import.
- Validate the contract.
 - Check for assets defined as zero cost. If the Exclude from Yield Calculation checkbox is not selected, an error appears indicating that the checkbox must be selected.
- Price the contract.
 - During contract pricing, if the Exclude from Yield Calculation checkbox is selected, exclude those assets from asset and contract level yield calculation.
 - During pricing call, send indicator for those assets to be excluded from pricing and yield calculations.
 - Continue to generate streams for termination value, stipulated loss value, pre-tax income, rent, and residual value (if applicable).
 - Straight line accrual streams for lease income and rent.
- Book the contract.
 - Allow zero/low cost assets on contract booking.
 - Perform updates in Fixed Assets and update the asset cost and depreciation parameters as required. If it is a minimal cost, Fixed Assets will reflect the low cost or zero cost.
 - Create Install Base record for zero/low cost assets.
- Copy the contract – When duplicating a contract, copy the zero/low cost asset along with the Exclude from Yield Calculation checkbox.
- Import contract – When importing a contract, allow for zero/low cost asset

along with the Exclude from Yield Calculation checkbox. Standard contract import applies along with changes to validation, pricing, and booking as outlined above.

- Evergreen payment – You can define the evergreen payment amount for zero/low cost asset. The evergreen rent streams for zero/low cost asset is generated and billed for the evergreen period.
 - Rebook contract – You can update the zero/low cost asset during rebook. This includes changing the Exclude from Yield Calculation checkbox, payments, and so on, which could lead to billing adjustments based on standard rebook adjustments logic.
3. Bill Contract with Zero/Low Cost Assets: Allow the billing of zero/low cost assets during contract the base term and evergreen. You can define payments of rent and evergreen rent for zero/low cost assets, provided the Exclude from Yield Calculation checkbox is selected.
 4. Add Zero/Low Cost Assets on Renewal Quote. Allow zero/low cost assets on a renewal quote, the exclude yield calculation will be retained.
 5. Allow Transfer and Assumption of Zero/Low Cost Assets. Allow the creation of a Transfer & Assumption (T&A) request with the ability to add zero/low cost assets to T&A. The zero/low cost asset will added to the T&A and the Exclude from Yield Calculation checkbox will be retained. On the released contract, the zero/low cost asset will be added and can continue with contract activation process. In the old contract, the zero/low cost asset will be terminated.
 6. Allow Partial Termination with Zero/Low Cost Assets: On a partial termination, you can select the zero/low cost asset to be terminated.
 7. Allow Investor Non-Fixed and Full-Sale Pools with Zero/Low Cost Assets: Allow contracts with zero/low cost assets to be added to investor non-fixed and full-sale pools. The zero/low cost asset can be added to these pools along with related asset streams such as rent, residual value (if applicable). No PV streams (PV rent securitized, PV RV securitized) will be generated as there is no rate for zero/low cost assets. The standard asset streams are generated for investor rent disbursement basis, investor residual disbursement basis (if applicable), rent, pre-tax income. For non-fixed or full sale pools, contract level streams will be generated for investor accrual streams such as investor pre-tax income.

Supported	Not Supported
Direct Finance and Operating Leases	Loan contracts and loan assets
Non-fixed and full-sale investor pools	Fixed pools
None	The addition of zero cost assets on a Lease Quote Lease contracts with Interest Calculation Basis Float Factors or Reamortization

Depreciation Properties

For assets on a non-loan classified contract, you can set up an asset in one corporate asset book, and in one or more tax books in Oracle Assets. The default book for asset addition is derived from the system option you set up in the Setup tab under System Options > Operational Options. You can update the corporate book from the defaulted value when you create new assets. After you select a corporate book, you can select one or more associated tax books for each asset. You are required to set up at least one tax book if your contract book classification has a tax owner value of Lessor. Refer to the user and implementation guides for Oracle Assets for more information on setting up and maintaining asset books, depreciation values and asset categories.

Default depreciation values for each asset are derived from the asset book you select and the default asset category for the item you used when you created the asset or from an extension if you enable one. You can assign a default asset category for the items in Oracle Inventory. You can accept the defaults derived from Oracle Inventory and Oracle Assets, or override the defaults and set parameters for both asset book depreciation and asset tax depreciation.

If you generate accounting for multiple corporate books (multi-GAAP), the asset is automatically set up in the reporting book you set up in the Setup tab for System Options>Operational Options. An asset is determined to require multi-GAAP accounting when the following conditions are met:

- The contract has a financial product with an associated reporting product.

Prerequisites

You must have retrieved or be in the process of authoring a contract.

You must set up asset books for corporate, tax, and reporting depreciation.

You must set up depreciation values like method and prorate convention.

You must set up asset categories.

You must assign categories to the inventory items.

Steps

In the Depreciation section of the Asset Details page, enter the following details:

1. In the Book field, select the asset book from Oracle Assets in which this asset is recorded if there is no default value or if you wish to update the default value.
2. In the Category field, select the asset category from Oracle Assets assigned to this asset if there is no default value or you wish to update the default value. The default value is the assigned category of the master item of the asset based on the value from Oracle Inventory.
3. In the In-Service Date field, enter the date the asset was placed in service if there is no default value or if you wish to enter a different from the default contract start date.
4. Enter the depreciable cost if you want to update the default value. The default value is a capitalized cost value that includes the following: $(\text{Unit Cost} * \text{Units}) + (\text{Asset Add-Ons}) + (\text{Capitalized Fees}) + (\text{Capitalized Interim Interest}) - (\text{Capitalized Down Payments}) - (\text{Trade-In}) - (\text{Capitalized Subsidies})$.
5. In the Depreciation Method field, select the method you want to use to for calculating depreciation expenses for the asset in Oracle Assets if there is no default method or if you want to use a different method. The default value is the method assigned to the asset category in Oracle Assets. The asset's depreciable life, also called useful life, in the Life in Months field, is entered as a read-only field defaulted automatically based on the depreciation method you choose.
6. By default, the salvage value is determined from the residual value you entered. If you want to update the defaulted value, select a basis. If you select Percentage, enter a salvage value percent rate of the depreciable cost. If you select Amount, enter the salvage value amount.
7. In the Salvage Value field, enter the percentage rate or amount. Use the Asset Tax Depreciation section to setup the asset books you will use for tax depreciation. You are required to set up at least one tax book if your financial product has the Tax Owner quality of Lessor. You can set up one or more tax books as long as the tax books are associated in Oracle Assets to the asset corporate book you selected. In the Asset Tax Depreciation section, a table provides one row each for multiple tax books.
8. In the Tax Book field, select the tax book you want to use for this asset depreciation from the list of values. The Cost, Method and Life in Months are defaulted. Method

and Life are derived from the setups for these fields in Oracle Assets based on the asset category.

9. Enter the depreciable tax cost if there is no default value or if you want to update the default value.
10. Select the depreciation Method if there is no default or if you want to use a different method. The method you use determines the asset's depreciable tax life for the selected tax book. The Method field is defaulted based on the asset category and tax book you selected.
11. The Life in Months field is automatically populated depending on the tax book method you selected. You cannot update it.
12. To enter additional tax books, click Add Another Row and repeat steps 8-11.

After you have entered all of the required and optional information you need to create the asset, click the Apply button to save your work and return to the Configuration summary page.

Depreciation Defaults

When authoring assets on new contracts, you can automatically derive Depreciation Method and Life for new assets based on pre-defined rules for each tax book. To set up these depreciation defaults, use the following system options:

- Enable Default Depreciation Inputs
- Enable Asset Depreciation Defaulting Extension

Enable Default Depreciation Inputs

The values for Enable Default Depreciation Inputs are:

- Default on New Contracts Only
- Default on Imported Contracts Only
- Default on both New Contracts and Imported Contracts
- No Defaulting

The default value for this option is Both.

Enable Asset Depreciation Defaulting Extension

This system option enables you to add custom defaulting logic by modifying the following seeded package:

- OKL_ASSET_DEPRECIATION_PUT.get_depreciation_parameters

This package will derive default values for depreciation settings that are used to set up assets in Oracle Fixed Assets. The default value for this option is No. You can enable this option only if the Enable Default Depreciation Inputs option has been set to a value other than None.

Depreciation Default Rules

The following rules and conditions apply to the defaulting of asset depreciation settings when assets are entered in contract authoring:

- If the Enable Default Depreciation Inputs option is set to None or Default on Imported Contracts Only, no values are derived. You must enter or import all asset depreciation values.
- If the Enable Default Depreciation Inputs option is set to Default on New Contracts Only or Both, the following corporate book values are defaulted for each asset added:
 - **Corporate Book** – derived from the existing system option for Asset Addition Corporate Book
 - **Asset Category** – derived from the value assigned to the selected Inventory Item
 - **In-Service Date** – derived from the Asset Line Start Date
 - **Corporate Book: Depreciable Cost** – derived from the entered asset OEC or "cost"
 - **Corporate Book: Salvage Value** – derived from the entered Residual Value
- If the option is set to Default on New Contracts Only or Both, the following parameters are automatically derived for Reporting Tax Book for Multi-GAAP contracts during asset authoring:
 - **Tax Book** – derived from the system option for Reporting Product Asset Book
 - **Tax Book: Depreciable Cost** – derived from the entered asset OEC or cost
 - **Tax Book: Salvage Value** – derived from the entered Residual Value
- If the option is set to Default on New Contracts Only or Both, the following parameters are automatically derived for regular Tax Book(s) during asset authoring:
 - **Tax Book** – automatically adds each Tax Book associated to the Corporate Book and Primary Ledger

- **Tax Book: Depreciable Cost** – derived from the entered asset OEC or cost
- **Tax Book: Salvage Value** - default -0- for all books
- In addition to the above defaulting, if the Enable Asset Depreciation Defaulting Extension option is set to Yes, then the package is called after all other values are defaulted. Any automatically defaulted values are replaced with the values derived from the package.

Authoring Contract Assets with Configurable Depreciation Rules

When authoring assets on new contracts, the depreciation settings assigned are often based on standard rules and users do not update the standard values unless an exception is identified.

To use default values, you can update the system options to identify the standard tax books you want to use and to assign default values. If there are exceptions, the default values can be updated prior to activating the contract.

You can also default values if you import new contracts through the contract import interface or when adding new assets during a rebook revision.

Duplicate an Asset Line

If you have existing asset lines, you can copy an asset line to create a new one.

Steps

Perform the following steps:

1. Search for the asset to duplicate in the Configuration page asset section.
2. Select the row or rows of the assets you want to duplicate. Click the Duplicate button. The application automatically creates a new asset and assigns a default asset number.
3. To update or view the new asset, search for the asset by clicking the Go button in the search criteria section.
4. Click the Asset Number hyperlink of the new asset to open the record and edit it.

Remove an Asset Line

Prior to activating a contract, you can remove an asset line that you want to discard. Once you remove the asset line, you cannot search for it or view it.

Steps

Perform the following steps:

- Search for the asset to remove in the Configuration page asset section.
- Select the row or rows of the assets you want to remove. Click the Remove button. A confirmation message alerts you that the selected assets have been removed.

Asset Line Details

After you have set up an asset line, you can view the general asset information you entered or enter additional information for the asset from the Asset Details page. To view or update the general asset information, use the General tab and click the Update button to modify any details. You can also enter or update additional asset line details that include:

- Add-ons
- Billing
- Adjustments
- Serial Number
- Supplier Invoice
- Taxes and Filing

To view or enter the asset line details, you start from the Asset Details page. You access the Asset Details page by clicking on the Asset Number hyperlink from the asset summary section of the Configuration sub-tab on the Contract Details page. Each section has a separate sub-tab that you can view or update from the Asset Details page. To return to the Configuration page and asset summary, you click on the Return to Configuration hyperlink at the bottom of the Asset Details page.

The Asset Details icon displays the asset details to track events on fixed assets post booking.

The following steps require that you select an asset line and all values you enter from an Asset Details sub-tab are applied to the asset you select. You can update asset values two ways. You can click on the asset number hyperlink in the asset summary and then click the sub-tab of the details section you want to view or update. Alternatively, if you want to go directly to the update page, you can select the details section you want to update from the drop down list on the asset line and click the Go button. If you want to view serial numbers only, you can click the Serial Number icon for the asset to go directly to the list of asset serial numbers. Only assets with serial numbers have an enabled Serial Numbers icon.

See: Setting Up Serial Number Control, *Oracle Inventory User's Guide*

Note: You cannot enter asset adjustments from the Asset Adjustments

sub-tab. In this sub-tab you can view adjustments created for an asset using the Contract Adjustments sub-tab.

Prerequisites

Ensure that you have set up the following:

- Items for add-ons
- Suppliers and lease vendor parties for the asset or add-ons, including pay sites and payment methods
- Subsidies
- Payment stream types
- Evergreen rent stream types and formulas
- Billing sites for asset level billings

Update Asset Details from the General Sub-tab

From the asset details General sub-tab, you can update information you entered when you created the asset and enter a payment for the asset line.

Note: You have two options for entering asset payments. You can enter a payment for an individual asset from the General sub-tab. Alternatively, you can enter a single payment in the contract Payments sub-tab and apply the payment proportionally to all assets you entered for the contract.

Steps

To update asset general details or enter asset line payments perform the following steps:

1. Search and select the applicable asset in the Asset summary table in the Configuration sub-tab for a contract.
2. In the Update column, select Asset Details and click Go. The Asset Details page appears. Alternatively, select the asset number hyperlink and click Update from the General tab.

Note: From the update page, you can update any details you entered when you created the asset. See section Create Asset from above.

3. To enter a payment for the asset, click the Create button in the Payment section. Click Apply to save your payment and return to the asset General sub-tab.

Once you have completed your asset details updates and payments, click the Apply button to save your work and return to the asset details page. Click on another sub-tab to continue entering asset details or click on the Return to Configuration hyperlink to return to the asset summary section of the contract Configuration sub-tab.

Asset Add-Ons

You can associate related equipment items to your primary asset as asset Add-Ons. These add-ons increase the value of your asset cost and residual value and are fundable. The add-on items are added to each unit of your asset and are funded to the supplier of the asset unless you specify a different supplier by entering a supplier invoice for the add-on. The total cost of any fixed asset created in Oracle Assets includes the add-on value. Add-ons cannot carry serial numbers.

Steps

To enter add-ons for the asset:

1. Search and select the applicable asset in the asset summary section of the Configuration tab of the Contract Details page.
2. In the Update column, select Add-on and click Go. Alternatively, select the asset number hyperlink, navigate to the Add-Ons sub-tab and click Update.
3. In the Add-On summary table, click Add Another Row.
4. Select the inventory item that you want to add to the asset line.
5. Enter a unit cost for the item.
6. Repeat steps 3-4 for each item you want to add to the asset line.
7. Apply.

Note: Once you enter the add-on items, you can enter additional add-on details from the add-on summary table.

8. To enter additional description details, click on the Details icon in the add-on summary table. You can enter Manufacturer, Model, Year of Manufacture and Notes. Click Apply to save your work and return to the add-on summary table.
9. To enter a supplier invoice for the add-on, click the icon in the Supplier Invoice column. You must select a supplier to save the supplier invoice details. You can also enter the invoice number, invoice date and ship to site if it is different from the asset

location. The list of suppliers you can select from is limited to the Lease Vendor parties you have set up for your contract in the Parties sub-tab.

If you want to remove an add-on item from an asset line, then select the Remove icon on the add-on row. Once you have entered all of your add-ons, click Apply to save your work and return to the add-on summary table.

To update an add-on, click the Update button to return to the add-on update table. To view the add-on details, click the add-on item description hyperlink. Once you have completed entering or updating your add-ons, click on another Asset Details sub-tab to continue entering or updating asset details, otherwise, you can click on the Return to Configuration hyperlink to return to the asset summary table in the Configuration sub-tab of the contract.

Asset Billing Details

If you want to bill payments for an asset to a different customer address than the contract, you must setup that information in the Billing sub-tab for an asset. You can also enter the details of any agreement you have to pass-through, or share, evergreen rentals with vendors in the event that the asset continues billing rental payments after the original end of term.

Steps

To enter billing details for the asset, perform the following steps:

1. Search and select the applicable asset in the asset summary section of the Configuration tab of the Contract Details page.
2. In the Update column, select Billing and click Go. Alternatively, select the Asset Number hyperlink, navigate to the Billing sub-tab, and click Update.
3. Select the customer billing address to which invoices for this asset are sent.
4. Select the customer's payment method for this asset.
5. Select the customer bank account from which payments are drawn.

Note: This is optional and only used if payments are drawn directly from the customer's account. The bank name appears after you select the bank account.

Evergreen Pass-Through (Sharing)

Perform the following steps if you have agreed to share evergreen rentals with one or more vendors:

1. In the Evergreen section, select the payout basis.

2. Select the date on which evergreen pass-through (sharing) is to begin.
3. Select the evergreen formula used to calculate the amount of evergreen rental to share with the vendor.
4. Select the pass through stream type that will be used on the pass-through payment invoice made to the vendor. The stream type you select will also be associated to the accounting event for the payable invoice and can be used to configure your evergreen sharing accounting entries.
5. You can share the evergreen rental with one or more vendors. To add a vendor for sharing, click the Create button from the vendor summary table. From the Create Vendor page, select a vendor party. You can only select a vendor that is associated to the contract as a Lease Vendor party in the contract Parties sub-tab. You can also enter the payment details for making payments to the vendor, including pay site, payment method and payment terms. Click Apply to save the vendor and return to the Billing sub-tab of the asset.
6. To update the payment details for the vendor you will share evergreen rentals with, click the icon in the Update column of the vendor row.
7. To remove the vendor, click the Remove button.

Once you have entered all of the asset billing details and evergreen sharing details for each vendor, click Apply to save your work and return to the Billing sub-tab details page. You can select another asset sub-tab to continue entering asset information or return to the asset summary of the Configuration contract sub-tab by clicking on the Return to Configuration hyperlink at the bottom of the page.

Asset Adjustments

To view adjustments you entered for assets from the Contract Adjustments sub-tab, perform the following steps:

1. Search and select the applicable asset in the asset summary section of the Configuration tab of the Contract Details page.

Note: You cannot select the adjustment section for an asset from the Update column drop down list since you cannot update adjustments from the asset Adjustments sub-tab. To update any asset adjustments, go to the Adjustments sub-tab from the contract details page.

2. Any down-payment, trade-in, capitalized fees or subsidies you entered for the asset is displayed in a summary table for the asset. The amount shown for the adjustment is the amount that applies to the asset and not the full adjustment amount.

You can select another asset sub-tab to continue entering asset information or return to the asset summary of the Configuration contract sub-tab by clicking on the Return to Configuration hyperlink at the bottom of the page.

Asset Supplier Invoice

To specify a vendor to fund for the cost of the asset and related supplier invoice details, you enter supplier invoice details in the Supplier Invoice sub-tab. You must enter a supplier before you can select the vendor for any asset funding. You can only enter one supplier invoice for the asset. Asset add-ons can have a separate supplier invoice.

Steps

Perform the following steps:

1. Search and select the applicable asset in the asset summary section of the Configuration tab of the Contract Details page.
2. In the Update column, select Supplier Invoice and click Go. Alternatively, select the Asset Number hyperlink, navigate to the Supplier Invoice sub-tab, and click Update.
3. Select the vendor for the invoice.

Note: You can only select from vendors set up in the Parties section of the contract with the role of Lease Vendor associated to this contract.

4. Enter the supplier invoice number.
5. Enter the date of the supplier invoice.
6. In the Ship to Site field, choose the ship to address that is to appear on the supplier invoice.

Note: You can only select from the customer's existing shipping addresses.

7. Click Apply to save your work and return to the Supplier Invoice sub-tab.

Note: The application does not sent the invoice information entered above to Oracle Payables as a funding request.

You can select another asset sub-tab to continue entering asset information or return to the asset summary of the Configuration contract sub-tab by clicking on the Return to Configuration hyperlink at the bottom of the page.

Asset Serial Numbers

You can enter the serial numbers for each unit for the asset line. You can only enter serial numbers for assets with inventory items set up as serialized in the item master setup in Oracle Inventory. For more information on setting up items in inventory, see *Define Items, Oracle Lease Management Implementation Guide*.

To enter serial numbers for the asset, perform the following:

1. Search and select the applicable asset in the asset summary section of the Configuration tab of the Contract Details page. Select the Serial Numbers icon for the asset.
2. You can also access the serial number page by selecting Serial Numbers in the drop down list in the Update column for an asset and clicking Go. Alternatively, select the Asset Number hyperlink, navigate to the Serial Number sub-tab and click Update.
3. In the Serial Number table, you can enter the serial number for each asset unit. The application displays the installed address of each asset.
4. To add more rows, click the Add Another Row button. You must enter a serial number for each asset unit if the asset's inventory item is enabled for serial number tracking.
5. To remove serial numbers, select the rows you want to remove and click the Remove button on the table.
6. Click Apply to save your work and return to the Serial Numbers sub-tab for the asset.

Note: A previously used serial number can be tagged to a new asset only if the earlier asset is not in an active or in-progress status.

You can select another asset sub-tab to continue entering asset information or return to the asset summary of the Configuration contract sub-tab by clicking on the Return to Configuration hyperlink at the bottom of the page.

Asset Taxes and Filings

You can set up transaction tax, property tax and filing details for a contract in the contract Terms and Conditions for Taxes and Filings. If you want to set up different values for an individual asset, you enter those details on the asset Taxes and Filing sub-tab. The values you enter for an asset will be used and not the values you entered for the contract.

Asset Taxes

If you want to set up details for tax calculations that are different for an asset than for other assets on the contract, enter the values in the Asset Tax section.

Steps

Perform the following steps:

1. Search and select the applicable asset in the asset summary section of the Configuration tab of the Contract Details page.
2. In the Update column, select Taxes and Filing Invoice and click Go. Alternatively, select the asset number hyperlink, navigate to the Taxes and Filing sub-tab and click Update.
3. Some of the values in the Asset Tax section have the same meaning as the values you enter for a contract except that they apply only to the asset. The meaning of the items marked below as Refer to Contract Terms can be found in the Contract Terms and Conditions for Taxes and Duties.
4. Click Apply to save your work or enter additional information for Asset Filings on this page.

Asset Tax Field References

The following table describes the fields in the Asset Tax section:

Field	Description
Update from Contract	Enabled check box indicates that the asset values you entered will be updated from the contract values if you update the values in the Contract Taxes and Duties Terms and Condition's.
(Transaction Tax) Exempt Number	Record the exemption certificate number if the asset is exempt from any transactional taxes.
Transfer of Title	Refer to Contract Terms.
Sale and Lease Back	Refer to Contract Terms.
Purchase of Lease	Refer to Contract Terms.
Intended Use for Tax	Refer to Contract Terms.
Age of Equipment	Refer to Contract Terms.

Field	Description
Asset Upfront Tax	Refer to Contract Terms.
Property Tax Applicable	Refer to Contract Terms.
Lessee To Report	Refer to Contract Terms.
Bill Tax	Refer to Contract Terms.
(Use Tax) Exempt	Enabled check box indicates that the asset is not subject to any use-type transaction taxes.
Exempt Number	Enter the number of the tax exemption certificate.
Override	An enabled check box indicates that you want to use an override rate for charging use tax rather than any rate calculated by the tax engine.
Override Rate	If you decide to use an override for charging use taxes, enter the override rate.
Estimated Tax	Estimated tax at the beginning of the contract.

Asset Filings

If you want to record lien and registration filings for an individual asset that are different than other assets on the contract, enter the details in the Asset Filing section.

Steps

Perform the following steps:

1. Search and select the applicable asset in the asset summary section of the Configuration tab of the Contract Details page.
2. In the Update column, select Taxes and Filing Invoice and click Go. Alternatively, select the Asset Number hyperlink, navigate to the Taxes and Filing sub-tab, and click Update.
3. All of the values in the Asset Filing section have the same meaning as the values you enter for a contract except that they apply only to the asset.
4. Click Apply to save your work and return to the asset details page.

You can select another asset sub-tab to continue entering asset information or return to the asset summary of the Configuration contract sub-tab by clicking on the Return to Configuration hyperlink at the bottom of the page.

Set Up Asset Real Estate Lines on a Loan

If the contract is for financing real estate and is classified as a loan, the Asset Summary page displays the Create Real Estate button. You can enter details specific to a real estate asset.

Note: The Create Real Estate button is available only if the deal is classified as a loan. You need to set up real estate items in your inventory item masters for creating real estate type assets on your contracts. See the appropriate section of the *Oracle Lease and Finance Management Implementation Guide* for setting up inventory items. You also need to insure the property site is set up as an installed site address for your customer party. See the section for setting up customer installed sites in the Oracle Lease and Finance Management Implementation Guide.

Steps

Perform the following steps to create a real estate asset:

1. From the asset summary section of the Configuration sub-tab on the Contract Details page, select Real Estate Asset from the drop down list in the Create section and click Go.
2. In the Item field, select the inventory item code for the property from the list of values.
3. Enter the asset number.
4. Enter a short description of the property.
5. Enter the weighted average life of the property.
6. Enter the year the property was originally built.
7. Choose the address of the property from the list of values.

Financial

1. Enter the initial direct costs of originating the loan for this property. These costs are not automatically processed or fundable. The information is for your reference is setting the asset cost.
2. Enter the target bond equivalent yield for the loan on this property. The rate will

not be used to generate or calculate payments. You must enter payments directly for the asset line in the Payments sub-tab for a contract.

3. Enter the total amount of the loan in the Financed Amount field.
4. Select the Credit Tenant check box if there is a credit tenant.
5. Select the Government Building Secured check box if the property is a secured government building.
6. Enter the percentage of the rentable space occupied at origination in the Occupancy Ratio field.
7. Enter the ratio of rent cash flow to loan payment amount at origination in the Coverage Ratio field.
8. Enter the amount of rent cash flow at origination in the Property Rent field.

Inspection

1. Enter the date of the last property inspection.
2. Enter the date the next property inspection is due. The inspection will not be generated automatically. This information is for your information only.

Appraisal

1. Select the property collateral class from the list of values.
2. Select the appraiser conducting the property appraisal from the list of values.
3. Enter the appraisal date.
4. Enter the appraised value of the property.

Square Footage

1. Enter the property's gross square footage in the Gross field.
2. Enter the property's rentable square footage in the Net Rentable field.

Commitment Letter

1. Enter the date a commitment letter was accepted.
2. Enter the date a commitment letter expires.
3. Click Apply to save your work and return to the asset summary on the Configuration tab.

Financed and Rollover Fees

Financed fees are funded fees that are financed. A financed fee is similar to a loan. When time elapses between funding for a fee cost and the lessee making a full payment for that fee, the lessor has, by definition, created a loan to the lessee. The lessor may account for the financed fee in the contract's yield calculation and can generate streams for amortization schedule and income accrual.

Rollover fees are funded fees on the Lessee's contract for the financing of a Rollover Termination Quote on a contract. Rollover amounts on a Rollover Termination Quote can be financed on a new lease quote or contract. You can set up streams to be generated similar to a financed fee.

To create financed and rollover fee types:

1. Select the applicable in the Create Fee field in the Financing section of the Configuration subtab. The Create Fee page appears.
2. For the Financed Fee type, select the fee.
3. Select the supplier, if the fee is associated with a particular supplier. A supplier must be selected if some portion of the fee will be passed through to the supplier.
4. Specify the period during which the fee is effective.
5. Enter the total amount of fee for the asset.
6. Enter the number of periods during which the asset is financed.
7. Enter the amount per period.
8. Enter the applicable frequency.
9. Enter applicable additional information. See Additional Contract Data.
10. Click Apply.
11. For the Rollover Fee type, select the fee.
12. Specify the period during which the fee is effective.
13. Select the applicable rollover quote for the fee.

Note: The application displays the contract number and rollover fee amount.

Record Asset Adjustments

Oracle Lease and Finance Management enables you to enter adjustments for the assets on a contract that increase or reduce the financed amount of the assets. You can enter the following adjustment types:

- Capitalized Expenses
- Down Payment
- Subsidy
- Trade-in

All adjustments must be associated to one or more asset lines. Although you can view the adjustments associated to a particular assets from the Adjustments sub-tab on the Asset Details page, you must enter adjustments and associate them to assets from the Adjustments sub-tab of the Contract Details page.

Perform the following steps in the Adjustment subtab on the Contract details page.

To adjust capitalized expenses:

1. Select Capitalized Expenses in the Create field and click Go. The Create Fee page opens.
2. Select the fee for which you want to make adjustments.
3. Enter the amount of the fee to be applied to each asset. If the fee is to be spread between several assets, then enter the amount for the first asset and repeat the process for the other assets.
4. Select the supplier of the applicable asset.
5. Enter the period during which the adjustment is applicable.
6. Enter applicable additional information for the adjustment. See: Additional Contract Data.

To adjust down payment:

1. Select Down Payment in the Create field and click Go. The Create Down Payment page opens.
2. Select the method of down payment in the Basis field.
3. Enter the down payment percent.
4. In the Associated Assets section, click Add Assets to select assets for down

payment.

5. Select the basis, amount, and the down payment amount received.
6. Click Apply.

To adjust subsidy:

1. Select Subsidy in the Create field and click Go. The Create Subsidy page opens.
2. Select the subsidy that you want to adjust.
3. In the Subsidized Assets section, click Add Assets to select and apply the subsidy to the selected assets.

To adjust trade-ins:

1. Select Trade-ins in the Create field and click Go. The Create Trade-in page opens.
2. Select the date of the trade-in adjustment.
3. Enter a description of the adjustment.
4. Enter the amount of any trade-in applied to the capital amount.
5. In the Associated Assets section, click Add Assets to apply the trade-in adjustment to the selected assets.
6. Select the applicable asset and enter the trade-in adjustment amount.
7. Click Apply.

Prerequisites

Meet the following prerequisites:

- Stream types – You must set up stream types that you use for capitalized expense fees and for payments that you will associate with trade-ins, subsidies and down payments.

Note: Note that Capitalized Down Payments setup with the Capitalized Flag = YES cannot be created on contracts when the Tax Owner is the Lessor on the Financial Product. Also, you cannot book contracts using External Stream Generation when a Capitalized Down Payment is setup with the Capitalized Flag = YES.

- Subsidies – You must set up subsidies you want to use for associating and

calculating subsidy adjustments.

Note: Subsidy pools – you can track the use of a subsidy across contracts and customers by setting up a subsidy pool for a vendor who supplies subsidies on your contracts.

See: Set Up Subsidies, *Oracle Lease Management Implementation Guide*

Steps

Perform the following steps in the Adjustment sub-tab of the Contract Details page. Unless you set up a trade-in, down payment or subsidy for accrual or otherwise indicate it is not capitalized, adjustments are added to the cost of the asset for the following purposes:

- Any asset created in Oracle Assets: If the asset depreciates based on the book class and tax owner associated to your contract's financial product, the depreciable basis will include the adjustments unless you change or update the depreciable cost of the asset.
- Asset principal opening balances: Opening balances used to calculate amortization schedules include capitalized adjustments.
- Other adjustment calculations based upon asset cost: Calculations for down payments, subsidies and trade-ins include all other adjustments.
- Rates: The payments you apply to asset lines will pay off the asset cost including the effect of the adjustments. Contract interest rates include the pay-off of capitalized expenses in the interest calculations.
- Seeded capital cost formulas: Any formula you use based on total capital asset cost will include adjustments. Capitalized expenses increase the asset capital cost. Subsidies set up as capitalized basis will reduce the asset cost. Down payments and trade-ins you set as Capitalized will reduce the asset cost.

Capitalized Expenses

To create a capitalized expense fee:

1. Select Capitalized Expenses in the Create field drop down list and click Go. The Create Fee page opens.
2. Select the stream type that represents the fee you want to add to your assets. Only stream types associated to the stream generation template for your financial product with the stream purpose of Expense and the Capitalized flag set to "Yes" on the stream type definition are available for you to select.
3. Enter the total amount of the fee. If the fee is to be spread between several assets,

then enter the total amount for all assets. You will be able to allocate the fee amount to the assets later.

4. Select the supplier of the fee. The list of values is limited to the Lease Vendor parties you set up for the contract in the Parties tab. This is the supplier you want to fund for the expense amount you enter.
5. Enter the Effective To date for the fee. This defines the ending period the fee expense covers. The Effective From date defaults to the contract start date. You will only be able to associate this fee to assets that start on the same date. Capitalized fees can only start on the same date as asset starts on the contract.
6. Enter applicable additional information for the fee line. See: Additional Contract Data for how to set up and enable descriptive flex fields for contract fee lines.
7. Click Apply to save your work. You must complete the capitalized expense by associating the fee line to an asset before you can book (activate) the contract.
8. Navigate to the Adjustments sub-tab from the contract details page. Select the icon in the Update column of the row for the capitalized expense from the list of adjustments.
9. Alternatively, you can select the Add Assets button. You search for the assets you want to add, select one or more assets by clicking the Select check box and then click the Select button. The assets you selected appear in the Associated Assets table. You must enter the amount of the expense that you want to allocate to each asset. The total amount must match the total amount of the capitalized expense you entered.
10. To remove an associated asset, select one or more asset rows and click the Remove button.
11. Click Apply to save and return to the Adjustments sub-tab.
12. To remove a capitalized fee, you can click on the icon in the Remove column in the Adjustments summary table.

Down Payments

You can only create one down payment per asset on your contract. To create a down payment and associate it to assets:

1. Select Down Payment in the Create field drop down list and click Go. The Create Down Payment page opens.
2. Select the method of down payment in the Basis field. You can enter a rate as Percentage of Asset Cost and the down payment amount will be calculated for you when you select assets or you can select Fixed to enter your own amount.

3. Enter the down payment percent if the basis was Percentage of Asset Cost or the Fixed amount.
4. Alternatively, in the Associated Assets section, click Add Assets to select assets for down payment. You must select the specific assets you want to associate with the down payment and enter the amount.
5. In the Associated Assets table, you must decide how you want to handle the down payment for each asset. In addition to updating the amount and calculation basis, you select whether the down payment amount is capitalized. Select Yes or No. If you select Yes, the amount will be added to the principal balance (for loans) or capital cost (for assets).
6. Select the Receiver of the down payment. The receiver is the party, either the Lessor or the Vendor, who receives the cash payment from the Lessee party.
7. Click Apply to save your work and return to the Adjustment sub-tab.
8. To remove an asset that you do not want associated to this down payment, click the select the asset row and click Remove button.

Note: If you set the Capitalize value to No, then you must select Lessor as Receiver and set up a payment type of Down Payment for the associated assets to book (activate) the contract. You can only select Receiver of Vendor when you set the Capitalize field to Yes. In order to set up a payment type of Down Payment, you must add stream types with the purpose of Down Payment to the stream generation templates associated with the contract's financial product. See the Oracle Lease and Finance Management Implementation Guide for more information on setting up payment stream types.

Subsidies

To create a subsidy and associate to assets:

1. Select Subsidy in the Create field and click Go. The Create Subsidy page opens.
2. Select the subsidy that you want to add to your assets.
3. You must apply each subsidy to one or more assets. In the subsidized assets section, click Add Assets button. Select the asset or assets to which you want to apply the subsidy. Only assets that are eligible and meet the criteria for the subsidy are displayed.
4. In the Subsidized Assets table, you can enter an override amount for each subsidized asset. To see the subsidy amount calculated automatically for each asset,

you must complete the process to create a subsidy and view the total on the Adjustment summary table.

5. Select a party for each subsidized asset. The list of values is limited to the parties you set up as Lease Vendors in the Parties tab of the contract.
6. If your subsidy has the option for a refund on early termination of a subsidized asset, you can enter information for refunding the subsidy vendor selected by clicking the icon in the Party Refund Details column. If you do not enter customer account details for the subsidized asset, any refund credit will be issued to the vendor's customer account defined in the contract party record under Billing Details.
7. Click Apply to save your work and return to the Adjustments sub-tab.
8. To remove a subsidized asset, select the asset row and click the Remove button.

Note: You must set up subsidies before you can add them to a contract. The attributes you set up on a subsidy determine whether the subsidy can apply to the assets on your contract, how to calculate the amount and how to process and account for the subsidy. You cannot select a subsidy for an asset under the following conditions:

- The subsidy has applicability criteria that exclude the assets on the contract that you want to associate.
- The subsidy has expired as of the asset line start date.

Trade-Ins

To adjust trade-ins:

1. Select Trade-ins in the Create field and click Go. The Create Trade-in page opens.
2. Select the date of the trade-in adjustment.
3. Enter a description of the adjustment.
4. Enter the amount of any trade-in applied to the capital amount of your assets.
5. Alternatively, in the Associated Assets section, click Add Assets to select assets for trade-in. You select the specific assets you want to associate with the trade-in and enter the amount of the trade-in for each asset.
6. To remove an asset from association to a trade-in, select one or more assets and click Remove.

7. Click Apply to save your work and return to the Adjustments sub-tab. After you have entered all adjustments, you can select another contract sub-tab to continue entering contract information.

Specify Additional Charges

Oracle Lease and Finance Management enables you to specify additional charges in the contract. You can create contract lines for fees, services, usage or insurance charges. You can set up payments for collecting additional charges as well as any associated expenses.

Fee Types Overview

During contract authoring you select a fee type to define fee terms. The fee type you select determines the fee attributes you are required to enter and ensures that payment and expense details are entered for a fee when required. After you select fee types, Oracle Lease and Finance Management renders the appropriate page for a particular fee type so that you can define fee attributes.

When you set up fee lines on a contract and select a fee type, you must select a primary stream type to define the fee line. The stream type is used to determine the types of streams generated for a fee and describes the fee when you see it in the summary list. You can only select stream types with a purpose that match the fee type you are entering. For example, if you are entering an Expense type fee, then you can only choose stream types with a purpose of Expense. The stream types must also be associated to the stream generation template associated to your contract's financial product. This insures that the stream types you use on fees are set up for appropriate stream generation and accounting.

See: Define Streams and Pricing, *Oracle Lease Management Implementation Guide*

Fee Types used as Additional Charges

Oracle Lease and Finance Management seeds the following fee types:

- Absorbed
- Expense
- Financed
- Income
- Miscellaneous
- Pass-Through
- Security Deposit

A fee contract line has the following attributes:

- **Additional Charge Type** indicates the fee type.
- **Payment required** indicates if a fee type requires that you associate a payment to the fee contract line.
- **Payment Stream Type Purpose**: Indicates the purpose of the stream types you can use for setting up payments related to the fee line.
- **Funding Allowed**: Indicates when you can set up expenses for a fee line which allows you to pay (fund) a supplier for the expense.
- **Initial Direct Cost**: For fee types with Expenses allowed, indicates if you can designate any part of the expense as an initial direct cost and accrue it separately from the rest of the non-IDC expense.
- **Line Stream Type Purpose**: Indicates the purpose of the stream types you can use for setting up the fee lines on the contract.
- **Included in Yield**: Indicates if the cash flows associated with the payments or expenses associated to the fee are included in the contract yield calculation.

The following table provides an overview of the attributes you use to define a fee contract line. If you do not enter all required attributes or optional attributes that are not allowed, then you will receive errors or warnings during contract validation and must correct any errors before you can complete contract activation.

Fee Contract Line Attributes

Additional Charge Type	Payment Required	Payment Stream Type Purpose	Funding Allowed (set up Expense with Supplier)	Initial Direct Cost (IDC) Allowed	Line Stream Type Purpose	Included in Yield
Absorbed	No	Not Applicable	No	100% required	Expense	Yes
Expense	No	Not Applicable	Yes	0%-100%	Expense	Yes
Income	Yes	Fee Payment	No	No	Not Applicable	Yes

Additional Charge Type	Payment Required	Payment Stream Type Purpose	Funding Allowed (set up Expense with Supplier)	Initial Direct Cost (IDC) Allowed	Line Stream Type Purpose	Included in Yield
Miscellaneous	Yes	Fee Payment	Yes	0%-100%	Expense	Yes (both payment and expense)
Passthrough	Yes	Fee Payment Passthrough Fee Renewal - Automatically assigned to billed payments during evergreen if fee enabled for evergreen period	No	No	Passthrough Fee	Yes (both payment and payout)

Other Fee Types

Three other fee types, capitalized, financed, and rollover fees, are not entered as additional charges because they are either entered as an adjustment or financed, meaning they contribute to the interest or rental income for a contract. You enter capitalized fees in the Asset Adjustments sub-tab and associate assets in the Contract Adjustments sub-tab. You enter Financed and Rollover fees in the Configuration sub-tab. See appropriate section on configuration for more information on entering or updating Financed and Rollover fee types. These three fee types can be associated to assets so that they can be partially terminated if the associated asset is terminated from a contract.

Oracle Lease and Finance Management exclusively uses general fees for upgrade purposes. If fees were entered prior to the introduction of Fee Types on version 11i10, some fees may have been automatically assigned the type of General. General fees cannot be created or updated on existing contracts.

Fee Stream Generation

Oracle Lease and Finance Management generates streams based on the fee types selected, the stream types you selected when you defined the fee and the dependent stream types you associated to the streams you used on the fee line. The following table shows the stream type attributes for selected fee types. You have other stream generation options when you use external type stream generation for contract pricing. For more information on setting up stream generation templates, configuring them for stream generation, and associating them to your financial products see Stream Generation Template, *Oracle Lease Management Implementation Guide*.

A primary stream type is a stream type you select when you set up a fee line or a stream you define once on the stream generation template that is used automatically when needed to generate a stream. Dependent streams are optional stream types you set up to generate streams for accounting accrual purposes.

The following table shows the stream type attributes for selected fee types.

Oracle Lease and Finance Management Streams Generated by Fee Type

Fee Type	Payment Stream Type Purpose (Primary)	Income Accrual Stream Type Purpose (Dependent)	Line Stream Type Purpose (Primary)	Expense Accrual Stream Type Purpose (Dependent)
Absorbed	Not Applicable	Not Applicable	Expense	Amortized Fee Expense (for IDC)
Expense	Not Applicable	Not Applicable	Expense	Accrued Fee Expense Amortized Fee Expense (for IDC portion)
Income	Fee Payment	Amortized Fee Income Accrued Fee Income	Not Applicable	Not Applicable
Miscellaneous	Fee Payment	Amortized Fee Income Accrued Fee Income	Primary: Expense	Accrued Fee Expense Amortized Fee Expense (for IDC portion)

Fee Type	Payment Stream Type Purpose (Primary)	Income Accrual Stream Type Purpose (Dependent)	Line Stream Type Purpose (Primary)	Expense Accrual Stream Type Purpose (Dependent)
Passthrough	Fee Payment Passthrough Fee Renewal - Automatically assigned for invoices in evergreen period	Passthrough Revenue Accrual	Passthrough Fee	Passthrough Expense Accrual

Viewing Fee Streams

Once all the fee types required for a contract have been authored, you can view the fee streams from the **Summary** tab of the **Contract Details** page. Once you have generated streams, you can click on the Details icon in the activation checklist for Stream Generation row.

Perform the following in the Streams section:

1. Select Service or Fee Streams in the Stream Level field and click Go to view the stream details.
2. Select a specific fee to view the streams only for that fee line.

Import Contracts With Fees

Oracle Lease and Finance Management allows you to import contracts with fee types. Oracle Lease and Finance Management also reports errors if all mandatory attributes for a selected fee type are not imported for a fee.

Set Up Fee Lines

Prerequisites

Before you create fee lines, you must meet the following prerequisites:

- Fee and expense stream types must be set up. To set up fee and expense stream types, see Set Up Fee and Expense Stream Types, *Oracle Lease and Finance Management Implementation Guide*.
- Accounting templates for stream types must be set up. To set up accounting templates for fee stream types, see Define Accounting Templates, *Oracle Lease and Finance Management Implementation Guide*.

- If suppliers are associated with the fees, then you must create lease vendor parties in the contract Parties sub tab and their accounts and payment details.

Steps

Perform the following steps in the Additional Charges sub-tab to create fees for a contract:

1. In the Fees and Services section, select the fee type in the Create field and click Go. The Create Fee page opens.
2. Enter details as required for the fee type selected.
3. Click Apply to save your work and return to the Additional Charges summary page.
4. If you created a passthrough fee type, you must update the line to specify payout vendors. Click the Update icon in the fee row. In the update page, a table is displayed for you to add the vendors that will receive payouts for the passthrough fee.

Once a vendor is added, you can open the vendor record and update the passthrough details for each vendor.

See: Creating Passthrough Fee Lines, page 10-88

5. For fees that require payments, you can click the Update icon for the row you created and enter a payment for the fee line in the fee update page. Alternatively, you can enter a payment for any fee line from the Payments sub-tab for a contract.
6. To remove a fee, select the icon for the Remove column in the fee row.
7. To update an existing fee line, click the icon in the Update column in the fee row.

The following table displays attributes for various fee types:

M = Mandatory; O = Optional; N = Not Required

Fee Type Attributes

Attribute	Absorbed	Expense	Miscellaneous	Income	Security Deposit	Passthrough
Fee (stream type)	M	M	M	M	M	M

Attribute	Absorbed	Expense	Miscellaneous	Income	Security Deposit	Passthrough
Effective From (defaults from Contract Start Date)	M	M	M	M	M	M
Effective To (defaults from Contract End Date)	M	M	M	M	M	M
Amount	M	M	M	M	M	M
Number of Periods	O	O	O	N	N	N
Amount per Period	O	O	O	N	N	N
Frequency	O	O	O	N	N	N
Supplier	O	O	O	N	N	N
IDC	O	O	O	N	N	N
Payment Attributes (type, amount, number of periods, etc.)	N	N	M	M	M	M

Creating Passthrough Fee Lines

Passthrough Fee lines have additional attributes you can setup because you can create payouts to multiple vendors. Perform the following steps to complete a passthrough fee line:

- Create the fee line.
- Update the fee line to add one or more vendors to payout.
- Update the fee line vendors to set up passthrough payout terms for each vendor for base term.
- Update the fee line vendors to set up passthrough payout terms for each vendor for evergreen term.

To create a passthrough fee type, perform the following steps:

1. In the Fees and Services summary of the **Additional Charges** tab, select Passthrough in the Create field and click Go. The **Create Fee** page opens.
2. Enter the fee fields based on the descriptions for the fields in the following table.
3. Click **Apply** to save your work and return to the Fee and Service summary.
4. You must update the fee to add vendors and vendor rules in order to complete the fee prior to contract booking (activation).

The following table describes the fields for creating passthrough fee type:

Term	Description	Required for Base Term	Required for Evergreen Term
Payout Basis	<p>Determines the basis on which payouts dates and amounts are calculated.</p> <p>Billing – Payout date is the date an invoice is billed. Payout amount calculated on invoiced amount.</p> <p>Due Date – Payout date is the due date of the invoice generated. Payout amount calculated on invoiced amount.</p> <p>Partial Receipt – Payout date is the date of any partial or full receipt. Payout amount calculated on receipt amount.</p> <p>Full Receipt – Payout date is the date of full receipt. Payout amount calculated on full receipt amount.</p>	Y	Y
Effective From	The date payouts are to begin for any vendor.	Y	N
Formula	Defines the payout amount for the evergreen period if fees are billed and shared during evergreen period.	N	Optional

Term	Description	Required for Base Term	Required for Evergreen Term
Stream Type	The stream type associated with payouts during the evergreen period if fees are billed and shared during evergreen period.	N (Derived from Fee Line)	Optional

After you create the passthrough fee, you enter the vendors to whom you want to make payouts. Perform the following steps to add vendors:

1. Select the icon in the update column for the passthrough fee row in the **Fee and Services Summary** table.
2. From the **Update** page, select **Create** in the vendor summary table.
3. Select a vendor for the passthrough fee from the list of values. Only parties with the role Lease Vendor defined on the contract **Parties** tab are shown.
4. Click **Apply** to save the vendor and return to the passthrough fee update page Vendor summary.
5. Repeat steps 2-4 for each vendor to whom you want to make payouts to for this fee.

After adding vendors, you must set up terms you want to use to schedule or consolidate payouts. You will enter the same terms for both the base term and the evergreen term for a vendor. Perform the following steps to complete the set up of vendor terms for a passthrough fee:

1. Select the Update for the vendor from the vendor summary table in the passthrough fee update page.
2. Enter the fields for base term.
3. Click Apply to save your work and return to the vendor summary page.
4. Perform steps 1-2 for each vendor.
5. From the vendor summary page, you can expand the vendor node to view rows for the base term and the evergreen term passthrough details. Click the Update icon or the Remove icon to edit or remove the details from the fee line.

Note: In addition to the terms you set up for a passthrough fee, you can

also set up consolidation rules for a vendor using Vendor Disbursement Terms. This allows two methods for consolidating and scheduling passthrough payouts. Insure you are aware of any Vendor Disbursement Terms that may impact the final schedule of payouts for passthrough fees when you setup the passthrough vendor terms on the fee for a contract.

Passthrough payouts to vendors could exceed the fee value if you elect to payout to vendors based on cash receipts and you allow cash receipts to be over-applied to invoices. For the transaction types of Invoice-OKL, Credit Memo-OKL, or Investor-OKL, an Over-application Allowed check box appears in Receivables. This check box enables over-application of funds to invoices. Oracle Lease and Finance Management does not support over-application of funds to invoices, and this check box should not be selected.

The following table describes the Passthrough payouts to vendors:

Term	Description
Pay Group	(Optional) Assigns a group to vendor payouts for use in grouping payments for processing in Oracle Payables.
Payment Terms	Determines the date invoices become payable in Oracle Payables.
Payment Basis	<p>Determines the date payouts are processed in Oracle Lease and Finance Management for creating payable invoices.</p> <p>Processing Date: Payouts are dated on processing date (date programs are run) after they become eligible for payout based on the passthrough Payout Basis.</p> <p>Schedule: Payouts are grouped together based on a schedule determined by the Pay Start Date, Frequency and Remittance Days after they become eligible for payout based on the passthrough Payout Basis.</p> <p>Source Date: Payouts are dated on the date they become eligible for payout based on the passthrough Payout Basis.</p>

Term	Description
Payment Basis - Advance	The payment basis Advance is used to author Advance Scheduled Disbursement. Select Full Receipt as payout basis and fill the vendor details by selecting Processing Date or Source Date as payment basis.
Pay Start Date	The date payouts begin for the specified vendor.
Payment Method	The format of payment to use when processing payments in Oracle Payables.
Payment Frequency	If the Payment Basis is Scheduled, determines the frequency that payouts are grouped for creating a payable invoice.
Remittance Days	If the Payment Basis is Scheduled, determines the actual payable invoice date for a group of payouts by adding remittance days to the date payouts are processed.
Disbursement Basis	<p>Determines the basis on which a payout amount for a vendor is calculated.</p> <p>Fixed – the fixed amount is paid each time the payout basis occurs for the fee line.</p> <p>Percent – the percentage of the fee payment paid each time the payout basis occurs for the fee line.</p>
Disbursement Fixed Amount	If Disbursement Basis is Fixed, enter the fixed amount.
Disbursement Percent	If Disbursement Basis is Percent, enter the percentage.
Processing Fee Basis	<p>Determines the basis on which any processing fee is calculated and withheld from the payout.</p> <p>Fixed – the fixed amount is deducted each time the payout basis occurs for the fee line.</p>

Term	Description
Processing Fee Fixed Amount	If Processing Fee Basis is Fixed, enter the fixed amount.
Processing Fee Percent	If Processing Fee Basis is Percent, enter the percentage.

Set Up Service Lines

If you plan to provide for or bill for any services within the terms of the contract, you must set up service lines.

Service Types Overview

You can create two types of service line:

- Standard:** You enter all the service details in Oracle Lease and Finance Management. Oracle Lease and Finance Management manages the billing amount and all service details. For standard service lines, you can set up a general service for the contract or associate services to serviced assets. You can also determine whether to bill the service only during the base term of the contract or continue billing the service during the evergreen period of the contract is eligible for evergreen billing. Standard services can also be set up as passthrough, where the service is billed to the customer and part or all of the payment is paid out to a vendor. You can also specify recurring service expenses associated to a standard service line. Service expenses can be funded and paid to supplying vendors.
- Linked:** You link a lease or loan contract in Oracle Lease and Finance Management to an active service contract already created in Oracle Service Contracts. Oracle Lease and Finance Management allows you to use the full functionality of Oracle Service Contracts, and consolidates the service contract billing with lease contract billing.

To link service lines, you must first create and activate a service contract in Oracle Service Contracts.

In Oracle Lease and Finance Management, you must have an asset line (in the current contract) that uses the same inventory item as the covered product in the service contract. When you link a lease contract service line to the service contract, Oracle Lease and Finance Management automatically associates the asset to the covered product of the service contract.

Prerequisites for Standard Services

Meet the following prerequisites for standard service lines:

- Inventory items enabled as service items.
- Suppliers must be set up and associated to the contract as a Lease Vendor party in the contract Parties tab.
- If you are going to associate serviced assets, you must set up the asset lines on the contract in the Configuration tab.
- Stream types for service payments, service expenses, evergreen service payments, service pass through and service evergreen pass through.

Steps to Create a Standard Service Line

When you create a standard service line, you can perform the following actions:

- You create the service line and enter expense and pass through details.
- You can update the service line to add pass through vendors, associate serviced assets or set up service payments.
- For each pass through vendor you create, you can update each vendor with the details for service pass through payouts.

Perform the following steps in the Fees and Services section of the Additional Charges subtab to create the standard service line:

1. Select Service in the Create field and click Go. The Create Service page appears.
2. In the Service field, select the Inventory service item that you are setting up.
3. Enter the effective date that this service starts. The contract start date defaults.
4. Enter the date this service ends. The contract end date for base term defaults.
5. Enter the cost amount of this service. This is the total fundable amount including all recurring expense payments.
6. In the Expenses section, enter the number of periods and amount per period and the frequency of period for the service expense. This determines the amount that is fundable and the funding dates. You can only set up expenses for standard service lines. When you set up expenses, you can fund the expenses to make payments to service providers for your service lines. You are not required to enter service expenses in order to bill a customer for services, but you must set up expenses if you want to pay service providers.
7. If you are creating a pass through on a service line (meaning you intend to make payouts to vendors for part or all of the payment you will bill to the customer) for the base period, then perform the following steps in the Base section:

- In the Payout Basis field, select a payout basis for the passthrough from the drop-down list. The payout basis determines the date payouts are processed in Oracle Lease and Finance Management for creating payable invoices.

Processing Date – Payouts are dated on processing date (date programs are run) after they become eligible for payout based on the Pass Through Payout Basis.

Schedule – Payouts are grouped together based on a schedule determined by the Pay Start Date, Frequency and Remittance Days after they become eligible for payout based on the Pass Through Payout Basis.

Source Date – Payouts are dated on the date they become eligible for payout based on the Pass Through Payout Basis.

- In the Effective From field, select the date from which the passthrough is effective during the base period.
 - In the Passthrough Stream Type field, select a stream type that will be used on the invoice transactions for the payouts made to vendors from the list of values. The list of values contains only stream types with the purpose of Pass Through Service.
8. If you are creating a passthrough on a service line for the base period only, then click Apply to save your work and return to the Fees and Services summary table.
 9. If you are creating a passthrough on a service line for the evergreen period, then perform the following steps in the Evergreen section:
 - In the Evergreen Payout Basis field, select a payout basis for the passthrough from the drop-down list.
 - If a formula applies to the evergreen period, select it from the list of values in the Evergreen Formula field. The formula is used to determine the total payout amount for the service payment in the evergreen period. The payout amount can be paid to one or more vendors.
 - In the Passthrough Stream Type field, select a passthrough stream type from the list of values. Only stream types with the purpose Pass Through Service Renewal can be selected.
 10. Click Apply to save your work and return to the Fees and Services summary table.
- After you receive confirmation of a successfully created service, you can update the service line to enter pass through vendors, associate serviced assets or enter service payments. You can also select the Remove icon to delete the service line or click on the Service Line Name hyperlink to view the service line details.

Set Up Pass Through Vendors for a Standard Service Line

To enter pass through vendors, perform the following steps:

1. Click the Update icon for the service row from the Fees and Services Summary table
2. Click on the Create button in the Vendors section.
3. Select the vendor to whom you want to make pass through payments
4. Click Apply to save your work and return to the service details page.
5. Repeat steps 2-4 to add additional vendors for payout of this service line.

After adding vendors, you must set up terms you want to use to schedule or consolidate payouts. You will enter the same terms for both the base term and the evergreen term for a vendor. Perform the following steps to complete the set up of vendor terms for a pass through service line:

1. Select the Update for the vendor from the vendor summary table in the service update page.
2. Enter the fields for base term.
3. Click Apply to save your work and return to the vendor summary page.
4. Perform steps 1-2 for each vendor.
5. From the vendor summary page, you can expand the vendor node to view rows for the base term and the evergreen term pass through details. Click the Update icon or the Remove icon to edit or remove the details from the fee line.

Important: In addition to the terms you set up for a pass through service payments, you can also set up consolidation rules for a vendor using Vendor Disbursement Terms. This allows two methods for consolidating and scheduling pass through payouts. Insure you are aware of any Vendor Disbursement Terms that may impact the final schedule of payouts for passthrough service payments when you setup the pass through vendor terms on the service for a contract.

Passthrough payouts to vendors could exceed the fee value if you elect to payout to vendors based on cash receipts and you allow cash receipts to be over-applied to invoices. For the transaction types of Invoice-OKL, Credit Memo-OKL, or Investor-OKL, an Over-application Allowed check box appears in Receivables. This check box enables over-application of funds to invoices. Oracle Lease and Finance Management does not support over-application of funds to invoices, and this check box should not be selected.

The following table describes the Passthrough payouts to vendors:

Term	Description
Pay Group	(Optional) Assigns a group to vendor payouts for use in grouping payments for processing in Oracle Payables.
Payment Terms	Determines the date invoices become payable in Oracle Payables.
Payment Basis	<p>Determines the date payouts are processed in Oracle Lease and Finance Management for creating payable invoices.</p> <p>Processing Date – Payouts are dated on processing date (date programs are run) after they become eligible for payout based on the Pass Through Payout Basis.</p> <p>Schedule – Payouts are grouped together based on a schedule determined by the Pay Start Date, Frequency and Remittance Days after they become eligible for payout based on the Pass Through Payout Basis.</p> <p>Source Date – Payouts are dated on the date they become eligible for payout based on the Pass Through Payout Basis.</p>
Pay Start Date	The date payouts begin for the specified vendor.
Payment Method	The format of payment to use when processing payments in Oracle Payables.
Payment Frequency	If the Payment Basis is Scheduled, determines the frequency that payouts are grouped for creating a payable invoice.
Remittance Days	If the Payment Basis is Scheduled, determines the actual payable invoice date for a group of payouts by adding remittance days to the date payouts are processed.

Term	Description
Disbursement Basis	<p>Determines the basis on which a payout amount for a vendor is calculated.</p> <p>Fixed – the fixed amount is paid each time the payout basis occurs for the service line.</p> <p>Percent – the percentage of the fee payment paid each time the payout basis occurs for the service line.</p>
Disbursement Fixed Amount	If Disbursement Basis is Fixed, enter the fixed amount.
Disbursement Percent	If Disbursement Basis is Percent, enter the percentage.
Processing Fee Basis	<p>Determines the basis on which any processing fee is calculated and withheld from the payout.</p> <p>Fixed – the fixed amount is deducted each time the payout basis occurs for the service line.</p>
Processing Fee Fixed Amount	If Processing Fee Basis is Fixed, enter the fixed amount.
Processing Fee Percent	If Processing Fee Basis is Percent, enter the percentage.

Set Up Serviced Assets for a Standard Service Line

After you create a standard service line, you can associate assets to the line to create serviced assets. After associated serviced assets, you can enter payments for serviced assets rather than one service payment for the service line.

To associate serviced assets, perform the following steps in the Serviced Assets section:

1. Click Quick Apply to automatically apply the service amount to all the assets associated with the contract. The service amount will be prorated to each asset based upon the asset cost. You can update the amounts after you quick apply if you want to adjust the automatic allocation.
2. Alternatively, click Add Assets to select assets. You select the specific assets you want to associate with the service and enter the amount of the service for each asset.

Note: When you link a lease contract service line to the service contract, Oracle Lease and Finance Management automatically associates the asset to the covered product of the service contract.

Set Up Payments for a Standard Service Line

After you create service lines, you can set up service payments that you bill to customers. You can associate a payment to a serviced asset.

To create service payments, click the Update icon for the row you created and enter a payment for the fee line in the fee update page. To enter the payment for a serviced asset, select the asset from the list of values. Only associated serviced assets are shown. Alternatively, you can enter a payment for any fee line from the Payments sub-tab for a contract.

Steps to Create a Linked Service Line

Each lease contract can be associated with only one service contract and each service contract can be associated with only one lease contract. Therefore, a leased asset can be associated to only one covered product (in Service Contracts). On a lease or loan contract, however, you can have multiple assets with multiple service lines associated to multiple covered products.

When the contracts are associated (linked), Oracle Lease and Finance Management automatically links each lease service line to the service contract line in the Oracle Service Contracts and associates each lease asset to the corresponding covered product in Oracle Service Contracts.

When you create a linked service line, you select a contract from Oracle Service Contracts. The Oracle Lease and Finance Management service line list of values will only display active service contracts that meet the following requirements:

- The contract you want to use from Oracle Service Contracts must be entered and active. The service contract must have a service line with a covered product.
- Both the Oracle Lease and Finance Management contract and the service contract must have the same operating unit, customer account, bill to address and currency.
- The service contract has to be effective, fully or partially, within the effective dates of the lease or loan contract, and vice versa; that is, either all or some of the effective days of one contract must be all or some of the effective days of the other contract.
- You must have created an asset in the current Oracle Lease and Finance Management lease contract, which has the same inventory item and number of units as the covered product in the service contract in Oracle Service Contracts. Serviced asset items in both contracts must come from the same Inventory Organization.

- The billing due dates (invoice due dates) must be the same.

To create a linked service line, perform the following steps in the Fees and Services section of the Additional Charges subtab:

1. Select Service From Service Contract in the Create field and click Go.
2. The Link Service Contract page appears.
3. In the Contract Number field, select the service contract from Oracle Service Contracts.
4. The list of values displays service contracts in Oracle Service Contracts that meet the selection criteria for linked service contracts.
5. In the Supplier field, select the vendor from the list of values.
6. Select the payment type of the service. This is the stream type that will be used for the service-billing amount derived from your service contract and combined onto the same invoice with your lease or loan contract payments.
7. Click Apply to save your work and return to the Fees and Services summary.

Oracle Lease and Finance Management automatically creates a service line, with the service name and amount derived from the service line details in Oracle Service Contracts.

To later make a change to either the Oracle Lease and Finance Management contract or the Service contract, you must first delink the associated contracts, make the changes, and then re-associate the two types of contracts, if they should still be linked. See Associate and Delink a Service in the Oracle Service Contracts User Guide.

Note: You must ensure that the key information that links an Oracle Lease and Finance Management contract to a service contract stays the same until booking. If, for example, you change the Bill To information in the Oracle Lease and Finance Management contract before booking (activating), you will get an error when you attempt to validate the contract. In that case, you must change the Bill To information back to its original value, or connect the service line to a service line in Oracle Service Contracts that matches the new Bill To information.

Set Up Usage Lines

If the contract calls for usage-based billing, you must set up usage contract lines. For example, if you supply copy machines and bill the customer based on usage (such as the number of copies made), you must set up a usage line and associate a counter to create this type of billing.

You can apply usage lines to specific assets as well as the contract. If you are applying your usage lines by asset, you must set up the asset lines in the contract.

From the Usage section of the Additional Charges tab, you can search for all the usage lines associated with the contract. Each line appears in a table containing the usage name, a description of the usage type, and the price of the usage-based charges, the minimum quantity to be billed each period, and the defaulted quantity to be billed each period.

If no usage lines are set up, none appear in the list.

When you create a usage line, a service contract in Oracle Service Contracts is automatically created. The service contract is linked to your usage line and contains the information required to calculate the periodic usage billing. The billing for usage is generated by Oracle Service Contracts and then consolidated onto a single invoice through a Oracle Lease and Finance Management billing program.

Prerequisites

You must set up price lists and usage items in inventory.

You must set up counters and counter groups in Oracle Install Base.

Steps

You perform the following activities to set up usage lines:

- Create the usage line.
- Associate usage assets to the usage line.

To create the usage line:

1. In the Usage section of the Additional Charges subtab click Create. The Create Usage page appears.
2. In the Usage Item field, select the inventory item to use for this usage billing.
3. In the Price List field, select the price list for determining the per unit billing rate.
4. In the Minimum Quantity field, enter the minimum usage volume that you want to bill per period.
5. In the Default Quantity field, enter the default usage volume that you want to bill per period.
6. Select the Average Monthly Counter Volume check box if an average is used to bill unit volume per month.
7. Select the Level check box if the usage volume is a level amount each period.

8. In the Base Reading field, enter the base reading of the usage counter.
9. In the Base Reading Unit of Measure field, choose the unit of measure in which the base reading is expressed from the list of values.
10. Select the usage type.
11. Enter the fixed quantity of usage that you want to bill per period.
12. Select the billing period.
13. Enter the number of periods that you want to bill.
14. Click Apply to save your work and return to the usage summary table.

Step 2 Usage Assets

After you create the usage line, you can associate usage assets. Perform the following steps to add usage assets to your usage line:

1. From the usage summary table, click the Usage Assets icon for the usage line.
2. Enter your asset search criteria.
3. Select the assets you want to associate as usage assets.
4. Click Apply to save your work and return to the usage summary table.

Note: To bill usage charges based on counters, you must enter or update counter readings.

Set Up Contract Payment Structure

After you have created all the lines on the contract, you set up payment schedules for each of the lines requiring payments if you did not enter payments when creating the contract lines. The payments you set up are used to generate invoices to customers for the contract.

When you create payments for assets, such as rents or loan payments, you can enter a payment once and then apply it to the asset lines on a contract or you can select specific lines and enter each payment separately. When you create payments for fees or services, you can enter a single payment for the fee or service line or, if the line has associated assets, you can apply the payment to the assets or enter a payment individually for each associated asset for that line.

Some types of lines require payments and some are optional. Additionally, you can select only stream types with the correct purpose for the line type of the payment. For example, you cannot create payments with a stream type purpose of Fee Payment when

you select a contract line type of Asset. The stream type you can select may also be limited by the type of fee or parameters of the contract's financial product, such as book class, revenue recognition method or interest calculation basis.

Line Type	Qualifying Parameters	Stream Type Purposes
Asset	Book Class = Operating, Direct Finance, Sales Type	Rent, Estimated Property Tax, Down Payment
Asset	Book Class = LoanRevenue Recognition Method = StreamsInterest Calculation Method = Fixed, Reamort, Fixed/Upgrade	
Asset	Book Class = LoanRevenue Recognition Method = Estimated and BilledInterest Calculation Method = Fixed, Reamort, Fixed/Upgrade	
Asset	Book Class = LoanRevenue Recognition Method = ActualInterest Calculation Method = Fixed	
Fee Line	Fee Types = Income, Miscellaneous, Pass Through, Financed, Rollover	Fee Payment
Fee Line	Fee Type = Security Deposit	Security Deposit
Service Line	Standard Service (not linked to a service contract)	Service Payment

Some payments are automatically generated and you must set up the appropriate stream type purposes on your contract's stream generation template. For example, if you bill an eligible contract in evergreen, the stream type with the purpose Evergreen Rent will be used for all assets billed in evergreen. For more information on setting up billing stream types on your stream generation templates, see the Oracle Lease and Finance Management Implementation Guide.

Note: You cannot create a payment for a service line linked to a service contract. During billing, the payment information will be taken from the payment details of the linked service contract generated in Oracle

Service Contracts billing processes.

Prerequisites

You must create all contract lines on the contract.

You must set up stream types with payment type purposes on the stream generation template associated to your contract's financial product.

Steps

Perform the following steps from the Payments tab of the contract to create payments for your contract lines:

1. Select the payment line type from the list in the Create section and click Go. The Create Payment page opens.
2. If you selected a contract line type of service or fee, then you must select a valid service or fee line to create the payment. Click the flashlight icon and choose the specific service or fee line for the payment.
3. If you selected asset as the contract line type, then you can select an asset to enter a payment for a specific asset or leave the asset field empty to apply the payment to all assets on the contract. You can apply the payments to the assets later or it will be done automatically for you.

If you want to select an asset, then click the flashlight icon for the Asset field and choose the specific asset for the payment.

If you selected service as the payment type or you selected fee and the fee is a rollover or financed fee, then you can also select an associated asset and enter the payment for only that associated asset.

If you want to apply the payment to all associated assets, leave the asset field blank. You can apply the payment to assets later.

Note: A brief description of the asset line appears if you selected an asset. Otherwise the name of the service or fee line appears.

4. In the Payments Type field, click the flashlight icon and select the payment type from the list of values of billable stream types.
5. In the Frequency field, select the frequency of payments in the structure.

Note: The frequency is set for the entire payment structure. You

cannot mix periodic payments of different frequencies for the same line and payment type combination.

6. In the Structure field, select Level, 1st & Last, 1st & Last2, or 1st & Last3 from the list of values.
7. Select the Arrears check box if the payments in the structure are due in arrears of the rental period. Otherwise, the payments will be generated with due dates on the first day of each period.
8. Enter a sequenced payment structure in a multi-line table. You can enter multiple payment structure rows that can be for different amounts, including '0'. The total of your periods, including stub days cannot exceed the term of the contract.
9. Enter the number of recurring payments and the amount for periodic payments.
10. For stub payments, enter the number of stub days and the amount for the stub period.

Note: Oracle Lease and Finance Management calculates the payment start and end dates for each payment structure step you enter beginning with the contract Effective From date.

11. Repeat steps 9 and 10 for each separate payment step you are including in this payment structure.
12. Click Apply to save the payment.
13. After you create the payment, if you want to apply the payment to the asset lines or associated assets for a fee or service line, you can Update the payment and apply it. Perform the following steps to apply a payment to assets:
 1. From the payment summary, click the hyperlink of the payment to open the Payment summary view page.
 2. For the payment you want to apply, click the Update icon. The Payment Update page appears. Click the Apply Assets button on the page. This apportions the payment to each asset line by the percent of the asset cost to the total cost of all assets. You can only apply payments once.
 3. Click Apply.

Guidelines

Ensure that you follow these guidelines:

- Enter all payments in the contract currency.
- You cannot apply payments to assets for any fees other than pass through, financed and rollover fees. Other fee types either do not allow payments or cannot be associated to assets.
- You may enter payments for each asset associated to a fee line. You must ensure that the amounts for each asset-level payment total the amount you entered for the fee and the payments for each associated asset must be for the same frequency and number of payments.
- You do not enter payments for usage and insurance lines. They are billed based on the parameters you set up for the line and the associated insurance policy and/or service contract and price list.
- In Oracle Lease and Finance Management, a stub period defines the amount to be billed for the number of stub days entered. Only one payment will be generated for each stub period. Stub periods are non-recurring. A stub period differs from "interim" and "per diem," which define an amount per day to be calculated and billed.
- If you choose a structure other than Level, advance payments will automatically be created when you generate streams. The amount of the advance payment will be determined by how many last payments are in the structure you selected (1, 2 or 3 times the first rental or loan type payment). The advance payment stream will create one upfront payment stream element for the amount due on the first billing date and an off-setting amount (negative) in the final periods. When combined and billed together with your regular rent or loan payment, the net effect will be a large payment at the first due date that includes the advance rent and payments of "0" in the final periods.
- If you want to remove a sequenced step from the payment structure, select the Remove check box to the left of the sequence line you want to remove. A stub period is one period of several days in Oracle Lease and Finance Management. You cannot have stub periods next to each other; they must be separated by at least one payment structure step.
- Each day of the rental period must be accounted for in your payment structure. For example, if you add a stub period and also enter the same number of recurring payments as the contract term, the total payment periods will exceed your contract term. In this example, you would enter one less period payment than your term and an offsetting number of stub days as your last payment step to have a starting and

ending step that total the full period to make up your entire rental period. The billing periods start and end on the same day of the month as the contract start date (Effective From). If you want to define a due date that differs, use the Stub Days and Stub Amount fields. In the Stub Days field, enter the number of stub days. If you enter stub days in a payment row, you cannot also enter a recurring periodic payment. The stub days is not recurring and the amount you enter covers the entire period of the stub.

- The values for the display-only Start Date and End Date for each detail level line are determined by the following calculation formulas:
 - Start Date = For the first payment line, the start date equals the contract start date, or the asset line start date. For all other lines, the start date equals the previous line End Date + 1 day
 - For validated stub lines (stub days and stub amount, only): End Date = Start Date + Stub Days – 1 day.
 - For validated non-stub lines (period and amount, only): End Date = Start Date + [number of months] – 1 day.

Interim Rent

When lessees/borrowers receive and accept new equipment to be financed, the date of acceptance or the funding date may not coincide with the start date of the regular contractual term. Shipments of equipment for a lease or loan contract may not occur on the same date or may not be installed and accepted at the same time, and in the cases of loans, the funding may occur in advance of the contract start date. In such cases, lessors are entitled to recover rents from the acceptance date on leases or to charge interest from the funding date. In such cases, lessors may require or negotiate pricing to collect interim payments that cover the period from acceptance or funding up to the start date of the specified rental or repayment term.

The payments collected for the interim period may include not only rents, but other fee or services that are typically related to use of the equipment during the interim period, such as service and maintenance charges.

In Oracle Lease and Finance Management, interim payments are entered as a single amount per payment at the same time as regular base term payments are entered for the lines on a contract. A interim start date is also entered. The interim amounts and dates are displayed separately from the regular base term amounts and dates in the payment summary.

Unless an external pricing engine is configured otherwise, interim rents and other payments will be billed with a due date equal to the contract start date. New assets or other lines added to contracts after the contract start date cannot have interim rents or other payments.

Income and revenue for interim payments rents can be accounted for separately from regular base term rents. The standard internal pricing engine generates a single, separate income accrual stream using the contract start date and the interim amount. Other accounting methods can be applied using the external pricing engine for alternative accounting methods.

Set Up Interim Payments

The following sections apply to setting up interim rent payments.

Setting Up Stream Generation Templates

You can associate new, dependent stream type purposes for the following primary payment type purposes for any stream generation template.

PRIMARY	DEPENDENT (only one per primary)
RENT	INTERIM RENT or INTERIM INTEREST
FEE PAYMENT	INTERIM FEE PAYMENT
SERVICE PAYMENT	INTERIM SERVICE PAYMENT

The new stream type purposes can only be a dependent of the associated primary purpose. You can set up multiple stream types for each of the primary purposes (such as, multiple RENT or FEE PAYMENT stream types), but only one dependent stream purpose for the interim type of payment (such as, only one INTERIM RENT dependent stream type per RENT type) can be associated to the primary purpose for any specific stream generation template.

You can associate the following accounting type streams for a dependent interim payment stream type on the stream generation templates so that you can accrue income separately from the billing transaction:

You can associate the following accounting type streams for a dependent interim payment stream type on the stream generation templates so that you can accrue income separately from the billing transaction:

DEPENDENT PURPOSE	ACCOUNTING STREAM (ACCRUAL)
INTERIM RENT or INTERIM INTEREST	INTERIM INCOME
INTERIM FEE PAYMENT	INTERIM INCOME

DEPENDENT PURPOSE	ACCOUNTING STREAM (ACCRUAL)
INTERIM SERVICE PAYMENT	INTERIM SERVICE INCOME

Authoring Contracts with Interim Payments

When lessees receive and accept new equipment to be financed, the date of acceptance or the funding date may not coincide with the start date of the regular contractual term. Shipments of equipment for a contract may not occur on the same date or may not be installed and accepted at the same time. In such cases, lessors may be entitled to recover rents from the acceptance date. Lessors may require or negotiate pricing to collect interim payments that cover the period from acceptance up to the start date of the specified rental or repayment term.

The payments collected for the interim period may include not only rents, but other fee or services that are typically related to use of the equipment during the interim period, such as service and maintenance charges. Because lessors do not generally know the acceptance date until the lessees provide an acceptance certificate (or date), interim payments are typically calculated once the signed documentation is received, often very close to the time when a contract is booked and activated.

Entering Interim Payments

You can enter interim payment amounts when entering payments for a contract line. Once you select the primary payment stream type, the associated dependent interim stream type from the applicable stream generation template is displayed.

The interim payment must have the same currency as the contract.

Interim payments can only be entered for payments associated to the following line types:

- Assets
- Pass-through Fees
- Miscellaneous Fees
- Services (with or without pass-through)
- Financed Fees
- Rollover Fees

You can enter an interim period start date for each payment record entered. If the payment is allocated to assets, the same date will apply to each asset level payment. The last day of the interim payment period cannot be later than the contract start date.

You can enter a value for "deferred billing days" for any interim payment amount. This value is not used by the billing programs to calculate the invoice date. You can utilize this value through customization or your own invoice generation process to assign your own invoice date when generating invoices or collecting debit payments. You cannot enter negative values.

The entering of an interim amount and date are optional, but if you enter one of the values, you must enter all of the values. You can validate this when the payment record is saved.

If you enter a payment and allocate the amount to the sub-lines of associated assets, the interim amount must also be allocated in the same manner as the primary payment type. No interim payments can be associated directly to the contract. Interim payments can only be associated to payments that are entered (or allocated to) to contract lines. No contract level interim payments are allowed. You cannot have interim payments at both the line level and the sub-line level. Once the payments are allocated, you can update the payment at the sub-line level from the authoring page.

The following rules and conditions apply to the interim payment process.

- Interim payments cannot be capitalized on any lease or loan contract asset. Interim payments will be amortized separately from the base term payments in the standard calculations or generated streams. Any interim amounts that need to be capitalized must be entered as capitalized fees.
- You can enter and apply Advance Receipts for the interim payment amounts. During booking, the receipts must be handled as any other advance receipt and an appropriate invoice generated and matched.
- You can enter interim payments associated to new or re-leased assets. When creating a re-lease contract or financial product change, the interim payment amounts from any previous contract are not copied. However, if a contract with re-leased assets is rebooked, then interim payments can be entered or modified.
- You can edit interim payments during rebook. Interim payments can be added to new assets added during a rebook as long as the assets start on the contract start date.
- You can only enter interim payments for fee or service lines that start on the contract start date.
- When duplicating a contract, copy the interim amounts entered for any payment

Stream Generation and Pricing for Interim Payments

The interim payment amounts are included in yield calculations for implicit interest rate (IIR) and the internal rate of return (IRR) if the primary payment is included in the cash flows used to calculate yields.

The stream type for the billing stream is defaulted from the dependent stream purpose

of the associated primary payment from the applicable stream generation template (as displayed during entry). The stream date assigned is the contract start date if you are using the internal pricing engine. The deferred billing days will not be used by the billing program to determine the invoice date.

When you associate a dependent accounting stream purpose to the dependent interim payment purpose and you are using an internal stream generation template, an accrual stream is generated with the applicable stream type, the specified interim payment amount and the contract start date. The accrual stream is a single value.

For streams generated for income accrual for service payments on contracts with a stream generation template using external pricing and no dependent accrual stream type is associated to a stream type for INTERIM SERVICE PAYMENT, an income accrual stream is generated that combines the income from the base term and the interim term into a single accrual stream that amortizes the income over the base term. The accrual stream type is assigned based on the dependent accrual stream type associated to the service payment stream type in the stream generation template.

Streams generated for pass through expense accruals will include a stream element on the contract start date for the amount disbursed from eligible interim and regular payment amounts.

Any other required streams to support billing and accounting for alternative methods requires the use of external pricing and the appropriate stream pricing name applicable to the third party pricing engine.

Other Rules For Interim Payments

The following rules also apply when using Interim Payments.

- You account for accrual streams using the existing accounting transaction types.
- Interim payments entered on a payment cannot be capitalized.
- You can enter Advance Receipts for the interim payment amounts and automatically apply them once they are billed.
- You can enter interim payments associated to new or re-leased assets.
- When you create a new contract for a Customer Change or Financial Product Change, the interim payment amounts are not copied to the payments on the new contract.
- You can only enter an interim payments against contract lines added during a rebook when the rebook date is equal to the contract start date.
- When duplicating a contract, the interim amounts entered for any payment are copied to the new contract.
- You can enter interim payments, including interim interest, for variable rate

contracts. However, the variable rate program will not calculate any interim amounts, apply any interest rate logic or initiate a reamortization during the interim term or true-up/catch-up for any amounts due during the interim period.

- You cannot enter interim payments for the following line types:
 - Usage
 - Service lines associated to service contracts
 - Income Fees
 - Expense Fees (capitalized or not)
 - General Fees

Indefinite Period Renewal Billing

You can create, bill and account for payments due on lease contracts after they reach original end of term and enter an indefinite period of renewal.

You can include terms and conditions in leasing contracts that initiate a contingency rental period after the regular base term of the contract in the cases where the lessee does not return or purchase the leased equipment. This period is also known as Month-to-Month, Inertia, Evergreen or Indefinite Period Renewal. Terms and conditions that define and control the indefinite period renewal (IPR) vary based on the types of contracts, local equipment leasing conventions, the bargaining power of lessors and lessees with regards to establishing favorable terms, accounting standards and other factors.

Author Contracts with Indefinite Period Renewal Payments

You can identify specific contract lines that are eligible for indefinite period renewal (IPR) status based on the type of contract line and the type of financial product (ie, lease classification). If a contract or contract line is made eligible for IPR by setting the contract terms and conditions to enable "Evergreen Eligible", you can enter IPR payments for contract lines, including a payment amount and a frequency. You can also enter the committed renewal periods as an information field when viewing the contract payment details.

The details of the IPR payment can be viewed, entered and modified separately from the details of the base term payment details. Validations will warn you if IPR payments are defined and the contract is not eligible for IPR.

The following types of contract lines can be made eligible for IPR and IPR payments defined for them:

- Assets

- Miscellaneous Fees
- Income Fees
- Services

When importing contracts through the contract import interface or copying values when new contracts are created by duplication, you can specify lines eligible for IPR and define payments for those lines. Appropriate validations are provided.

Bill Indefinite Period Payments

When IPR payment details are entered for a payment associated to any contract line and the contract is placed into Evergreen status, the payment amount and/or billing frequency from the IPR payment details are used to derive and bill the IPR payment. If IPR payment details have not been entered, even if the contract is in Evergreen status, no payment is billed.

In order to support contract revisions (rebooks) during the IPR period, a billable stream will be stored for the billed amount and stream type, along with the necessary values to insure billing and accounting adjustments are accurately calculated and processed.

Update Indefinite Period Renewal Terms and Payments for a Contract

You can update the "Eligible for Evergreen" option for a contract in the terms and conditions as well as the IPR payment amounts for a contract line for any contract that is not in Evergreen status. You can update these values during a standard online revision rebook or from the Lease Center if they have the appropriate authority.

If the contract is in Evergreen status, you will receive an error message that indicates a revision is required to modify the values.

Revise a Contract in Evergreen Status

When the contract is in IPR status, you can edit the IPR payment amount, frequency or committed payments values. You must initiate a revision (Rebook) and the changes will take effect starting from the Rebook Effective Date.

You cannot enter a rebook effective date for a contract in Evergreen status prior to the last date of the base term. Only values associated to the IPR term may be modified.

Set Up Financed Services

Services or items that may be financed include insurance, maintenance, service, warranty, customer support agreements, upfront tax, sales tax, fixed asset tax, and consumption tax. These are considered by the lessor as additional charges that the customer will not pay upfront, and instead elect to set up as a financed service. Lessors may allow financing of both an asset and a financed item such as service, maintenance, insurance and/or warranty on a contract. Cases can occur where the customer has terminated the asset on the contract, but would still like to retain the insurance,

warranty, or maintenance of the asset. In addition, the customer can choose to continue use of the asset but terminate the financed item.

Steps:

Steps for creating and updating Financed Service assets on a contract are:

1. Navigate to the Configuration subtab of the contract
2. Select Financed Service from the Create Asset dropdown and click the Go button.
3. System displays the Create Asset page. Define the financed service asset by entering the following:
 - Asset Number – Enter the required value.
 - Description – Enter the description.
 - Units – Enter the number of units.
 - Unit Cost – Enter the unit cost for the financed service asset.
 - Install Site – Click the Flashlight icon and then select the address where the asset is installed.

After creating the financed service asset, the asset type will be marked as Financed Service. There are no depreciation details captured for the financed service asset and no entry will be created in Oracle Assets during contract activation. The financed service asset is treated as a loan for both lease and loan contracts. It is a loan and is split for principal and interest.

4. Associate the financed assets to regular assets in the Service Assets page – Regular assets can be associated to the financed service asset. Multiple regular assets can be associated to the financed service, but the association is optional. The link is for information purposes. Included information are the asset number, description, status, and termination date of the regular asset.
5. Define a rent payment for the financed service asset. The payment type list of values is filtered based on the Rent purpose and if the financed service payment checkbox is selected. If the contract is evergreen eligible then by default the last non-zero base term payment will be billed as evergreen for all assets, including financed service assets. To not bill the financed service asset in evergreen, specify the evergreen payment amount as 0.
6. Split Asset – The financed service asset can be split into units or components.
7. Lease Insurance Quote – The financed service asset will be excluded from the equipment cost of the insurance quote. Only regular assets are included in the

equipment cost.

8. Upfront Tax – The financed service asset will be included for the upfront tax.
9. Generate streams and bill payments – Generate loan streams and bill payments for principal and interest.
10. Book contract:
 - No Fixed Assets entry for the financed service asset
 - Loan accounting applies
 - Create Install Base entry for the financed service asset
11. Copy contract – When duplicating a contract, copy the financed service asset.
12. Contract import – When importing a contract, allow for the financed service asset. Standard contract import applies along with changes to validation, pricing, and booking.
13. Evergreen – Allow the financed service asset in the evergreen period. Continue billing for the financed service asset, and generate the evergreen rent for renewal period. You can define the evergreen payment amount or select the checkbox to indicate that you want to take the last payment before the evergreen period.
14. Rebook – You can update the financed service payment during rebook. Adjustments for credit or debit will be made accordingly, depending on whether the payment amount is increased or decreased. A financed service asset can also be added during rebook. The rebook revision date is used as the financed service start date. When changing the financed service cost, the financed service start date must be used as the rebook revision date.

You can also perform a split asset into units/components for the financed service asset. You can select the financed service asset that you want to split. The Serviced Asset column is added and enabled when there is a financed service asset.
15. Accounting Transactions
 - Booking/Rebook – Total Principal Amount created for the financed service for direct finance and operating leases

Define Terms and Conditions for the Financed Service Obligation

Provide the ability to define a financed service obligation for the financed service. To settle the financial obligations of the contract at termination for financed service assets, set up the details for calculating the quote. The Financed Service Obligation region has an early termination and end of term for the termination quote calculation. Navigate to

the Contract Terms and Conditions page to define the following:

- Termination Quote Calculation – Early Termination, Contract
- Termination Quote Calculation – End of Term, Contract

Field Name	Description
Financed Service Obligation Option	The amount you want to charge for the remaining contractual payments associated to the financed service assets. Options are: <ul style="list-style-type: none">• Not Applicable• Use Fixed Amount• Use Formula
Financed Service Obligation Amount	If you are using a fixed amount for the financed service obligation.
Financed Service Obligation Formula	If you are using a formula. The seeded operand calculates the sum of unbilled (future) rents for the lease and principal balance for loan for the financed service assets. The seeded formula is QUOTE_SERV_UNBILLED_PRIN.
Financed Service Obligation Prorate	The prorate option is Line Calculation. The formula is used to run against each of the individual financed service lines and no proration occurs.

The Financed Service Obligation line is created on the termination quote that displays the amount derived based on the user-defined option.

Terminate Financed Service

On termination, allow the ability to independently quote and terminate financed service assets. In the termination quote, allow for selection of the financed service assets to be terminated.

You can create a termination quote for early term or partial/full termination. Select contract with Action: Quote for Modifications. Navigate to the Termination Quotes tab, Create Quote for Partial Termination or Full Termination; the Create Termination Quote page appears.

In the Select Assets page, you can select the financed service asset to terminate.

When a termination quote is created, a new line type for the financed service obligation is created and displayed in the Amounts tab. The amount is based on the Terms and Conditions defined for the financed service obligation which is either a fixed amount or a formula. In the Assets tab of the termination quote, the financed service asset is displayed with its net investment, unbilled receivable amounts.

When the quote is accepted, the financed service asset on the original contract will display status = terminated and the termination date.

There is no asset deposition or asset return for the financed service asset.

Add Financed Service Asset on Renewal Quote

Provide the ability to create a renewal quote with the financed service. Select contract with Action: Quote for Modifications. Navigate to the Renewal Quotes tab and Create Quote for the fixed term renewals the Create Renewal Quote page appears. The renewal quote details must be defined for the required fields. Pricing Method = Solve for Rate. You can select the Add Assets button and add the financed service asset to the quote. The Renewal Cost will be zero, as the residual value on financed service assets is zero. The exclude from yield calculation defaults to Yes as it is zero cost asset and is not included in the yield calculation for the renewal quote.

The payments for the financed service asset must be defined at the line level. Select Line Level Overrides for the configuration pricing options within the Pricing tab. Quote level payment is not supported. If you define at the quote level, QA validation will error stating that the payment must be defined at the asset level. The financed service asset payment will have Payment Type = Rent as it is a lease and using lease accounting.

The financed service asset retains the asset type of financed service, even though it is a released asset to distinguish from regular assets. If there was an association between the financed service asset and a regular asset, in the services asset section, the linkage will be retained as long as that regular asset is included in the renewal quote.

Perform Principal Paydown on Loan Contract with Financed Service Asset

Provide the ability to perform a principal pay down on a financed service asset on a loan. When you make a principal payment on a certain date, apply the payment accordingly and adjust the financed service asset with the remaining payments for periods and payment amount.

Perform Variable Interest Calculation for Reamortization Loan having Financed Service Asset

Provide the ability to perform a variable interest calculation for reamortization loans having a financed service.

Allow Transfer of Financed Service Asset on Transfer and Assumption (T&A)

Allow for the transfer of a financed service asset to a T&A request. During the creation of T&A request, within the Assets region, click Add Asset; the Select Assets page appears. Select the financed service asset.

On the released contract, the financed service asset will be added and can continue with the contract activation process. In the old contract, the financed service asset will be terminated and the termination date is provided. The principal balance is taken and is used as the asset cost on the T&A.

Investor Non-Fixed and Full-Sale Pools with Financed Service Assets

Allow contracts with financed service assets to be added to investor non-fixed and full-sale pools. The financed service asset can be added to these pools along with related asset streams. The standard asset streams are generated for investor rent disbursement basis, investor residual disbursement basis (if applicable), rent, and pre-tax income. For non-fixed or full-sale pools, contract level streams are generated for investor accrual streams such as investor pre-tax income.

Investor Financed Service Obligation Payable – For financed service assets attached to a non-fixed pool and with the investor agreement activated, when you terminate the finance service asset the investor financed service obligation payable will be created at the investor agreement level.

- Sales quotes and lease applications are not supported.
- Fixed pools are not supported.
- Lease contracts with Interest Calculation Basis Float Factors and Reamort are not supported.
- Refinance and Restructure quotes are not supported.

Create Interest Rate Details

If your contract includes fixed or variable interest rates, you must enter the interest rate details. For example, you must specify whether the interest rate is fixed or variable, what the conversion rates are, and define calculation methods. If the interest rate is variable, you must enter the variable rate details that match your contract and interest scenario.

For more information on variable rate contracts, see Variable Rate Contracts.

To create interest rate details, perform the following tasks in the Variable Rate summary section in the Payments subtab of the Contracts details page:

- Select the applicable variable rate in the Add Rates list. Click Go. The Add Rate parameters page opens.
- Enter the variable rate details and click Apply.

The following table describes interest rate fields:

Interest Rate Field Descriptions

Field	Description
Index Name	Select from interest index setup
Base Rate	Enter manually
Adder Rate	Enter manually
Minimum Rate	Enter manually
Maximum Rate	Enter manually
Principal Basis	Select Actual or Scheduled
Interest Basis	Select Simple or Compound
Interest Start Date	Defaults from the contract start date
Days in a Month	Either 30 or the actual number of days
Days in a Year	Select 360, 365, or the actual number

The following table describes additional interest rate fields:

Additional Interest Rate Field Descriptions

Field	Description
Rate Delay	In days or months
Rate Delay Frequency	Enter manually as number of days or months
Compounding Frequency	Select either Daily, Monthly, Quarterly, or Annual

Field	Description
Formula Name	Select from formulas setup
Catchup Start Date	Defaults from the contract start date
Catchup Frequency	Select either Monthly, Quarterly, Semi-Annual, or Annual
Catchup Settlement	Select Credit, Adjust, or Do Not Adjust
Catchup Basis	Must be Actual
Semi-Annual Rate Change Frequency	Select from Daily, Monthly, Quarterly, Annual, Anniversary Date, Billing Date, Date of Calendar Month, Date of Calendar Month and Calendar Year
Rate Change Start Date	Defaults from the contract start date
Rate Change Value	Enter manually

The following table describes conversion basis fields:

Conversion Basis Field Descriptions

Field	Description
Conversion Option Code	Select applicable
Next Conversion Date	Enter manually
Conversion Type	Select applicable

Set Up Insurance

If you require your customers to insure the assets on the contract, then you have two methods for insurance:

- enter information about an insurance policy the customer holds with a third party, or

- sell an insurance policy to the customer using the Oracle Lease and Finance Management insurance feature.

Third Party Insurance Overview

You can set up a third party insurance policy to indicate that the customer has provided proof of their own insurance for covering losses to assets. Third party policies are not tracked for other optional types of insurance, such as business risks or life insurance. You can enter a policy for each contract or enter a policy on a master lease that covers all contracts that reference the master lease (master leases are referenced in the contract header details page).

If the customers provided their own insurance, you can track whether or not you receive proof of that policy and place your own insurance if that proof is not provided. For more information on how to manage third party policies and the placement of your own insurance using the Oracle Lease and Finance Management insurance feature, see the Oracle Lease and Finance Management Insurance Overview section.

The third party policies you enter for a contract are assumed to cover all assets and you can only enter one policy for lease insurance for the contract. The policy appears as a policy in the summary table along with other insurance policies you create for optional insurance. Third party insurance policies do not require insurance quotes and do not generate any billings, disbursements or accounting records. You enter third party insurance policies using the General tab on the Contract details page.

Oracle Lease and Finance Management Insurance Overview

The Oracle Lease and Finance Management insurance feature allows you to set up insurance products, quote, and create policies for two types of insurance:

- lease insurance that covers losses to the assets on your contracts.
- optional insurance that covers other types of losses such as business interruption or life insurance.

You set up insurance products and providers, then use those products to quote insurance coverage or automatically place lease insurance when you require it but no third party policy has been provided by your customer. You can only place policies automatically for lease insurance and not optional type insurance. The placement program can also be configured to create and assign follow up tasks if there are contracts for which an automatic policy cannot be created because you do not have insurance products available to cover a contract. For more information on setting up insurance tasks, see *Define Insurance Tasks, Oracle Lease Management Implementation Guide*

An insurance policy can be made active by activating it in the Lease Center (the Oracle Lease and Finance Management customer service module) or by billing a policy and receiving payment (applying a cash receipt). Once the payment is received, the policy is automatically activated. You can set a parameter that will also activate the policy upon partial payment.

You can record claims against policies in the Oracle Lease and Finance Management customer service module, Lease Center. Although you cannot use the module to manage claims, you can log the claim for tracking purposes and put a billing hold on related asset payments. You can also accept insurance quotes and activate, delete or cancel policies in the Lease Center.

Set Up Insurance

You can perform the following insurance tasks for a contract during contract authoring:

- Search and view insurance quotes and policies
- Create and accept a lease insurance quote
- Create and accept an optional insurance quote

To view insurance quotes, enter the status of the quote you want to view or leave the status list empty to view all quotes. Click Go. The list of quotes appears and displays key information about the quote, such as the provider, premium amount and effective dates. Once a quote is accepted, an insurance policy is created automatically. You can view the insurance policy created for a quote by clicking on the policy number hyperlink. To view the quote, click the quote number to go to the quote view page. You can accept an active quote from the quote summary table by clicking the Accept icon for the quote row.

Prerequisites

Set up lease insurance and optional insurance products and rates in Oracle Lease and Finance Management.

Create and Accept a Lease Insurance Quote

Steps

Perform the following steps in the Insurance section of the Additional Charges subtab of the Contract details page:

1. Select Lease Insurance Quote in the Create field and click Go.

The Create Lease Insurance Quote page appears. At the bottom of this page, all asset lines associated with this contract appear. The table includes asset description, quantity, original equipment cost, asset category, insurance class, and location. The total amount of the original equipment cost of all the asset lines is the amount being insured with this quote.

2. In the Provider field, select the provider for the lease insurance. Only providers with valid insurance products are displayed.
3. Select the location of the equipment to be covered by the insurance policy.

4. Select the payment frequency.

Note: The premiums are calculated on a monthly basis. A half-yearly payment includes six premiums.

5. If the lessor is insured by the policy, then select the Lessor Insured check box.
6. If the lessor is the payee on the policy, then select the Lessor Payee check box.
7. Enter the start date of the policy in the Insurance Effective From field.

8. Enter the length of the insurance policy (in months) in the Term field.

9. Enter the Quote Effective From and To dates.

These dates specify the time during which the quote is valid for acceptance.

10. Click Continue to automatically select an insurance product, determine a valid premium rate, and calculate the premium.

11. If you want to adjust the quote amount, enter the adjustment amount in the Adjustment field.

This amount is subtracted from the premium total. The adjustment calculates an Adjusted Premium number and records who made the adjustment.

12. Complete the quote. You can complete the quote by taking one of the following actions:

- **Accept Quote:** Click this button to accept the quote, create a quote number and a policy number. You cannot modify a quote once it is accepted.
- **Save Quote:** Click this button to save the quote and create a Quote Number. You can later search for the quote, using the Active filter, to accept or modify the quote.
- **Modify:** Click this button to enable you to make modifications to the lease insurance quote and then to recalculate the premium.

Guidelines

You can manually activate an insurance policy in the Lease Center. See About the Insurance Tab, page 31-35.

The application automatically activates the policies if the invoice for the premium is paid. Policies are billed once the quote is accepted.

To calculate the premium, a valid insurance product is identified automatically based on the location, the provider selected, the equipment cost to be covered by the policy

and the effective dates. Your insurance products must be set up correctly for the providers, locations, equipment cost ranges and dates to deliver only one valid policy per contract. You may have multiple providers, but only one valid product per provider for a contract can exist. For more information on setting up insurance products, see *Define Insurance Products, Oracle Lease Management Implementation Guide*.

You can only have one active lease insurance policy for the same date range during the contract term.

Create and Accept an Optional Insurance Quote

Steps

Perform the following steps in the Insurance section of the Additional Charges subtab of the Contract details page:

1. Select Optional Insurance Quote from the list of values in the Create section and click Go. The Create Optional Insurance Quote page appears.
2. In the Insurance Product field, click the flashlight icon and choose the optional insurance product you want to quote for the customer.

The provider and insurance factors for the optional insurance product appear in read-only fields.
3. Enter the Factor value.

The insurance product you set up determines the factor.
4. Enter the Name of Insured party.
5. Select the location of insurance from the list of values in the Country field.
6. Enter the amount of coverage provided in the policy in the Covered Amount field.

The premium rate (as determined by the factor value and corresponding rates for the product selected) is multiplied by this coverage amount to determine the monthly total premium.
7. Select the payment frequency for the policy.

Note: The premiums are calculated on a monthly basis. A half-yearly payment includes six premiums.
8. If the lessor is the insured party, rather than the customer, then select the Lessor Insured check box.
9. If the lessor is the payee of the policy, then select the Lessor Payee check box.

10. Enter the date the insurance policy become effective in the Insurance Effective From field.
11. Enter the length of the policy in the Terms field.
12. Enter the Quote Effective From and To dates.
These dates specify the time during which the quote is valid for acceptance.
13. Add additional details to the quote.
14. Click Continue to calculate the premium.
15. If you want to adjust the quote, then enter the adjustment amount in the Adjustment field.
This amount is subtracted from the premium total. The adjustment calculates an Adjusted Premium number and records who made the adjustment.
16. Complete the quote. You can complete the quote by taking one of the following actions:
 - **Accept Quote:** Click this button to accept the quote, create a quote number and a policy number. You cannot modify an accepted quote.
 - **Save Quote:** Click this button to save the quote for the quote period and to create a Quote Number. You can later search for the quote, using the Active filter and accept the quote.
 - **Modify:** Click this button to enable you to make modifications to the optional insurance quote and then to recalculate the premium.

Guidelines

You must activate an optional insurance policy in the Lease Center. See About the Insurance Tab, page 31-35.

You can have multiple optional insurance policies, but not for the same insurance product for the same contract and date range. The possible ranges of factor values are assigned to premium rates that are used to calculate the premium amount. This information is used to determine the premium rate for the product. For example, if the insurance factor was set up as age for age ranges 1-50 and 50 - 999, you could set different premium rates for those two ranges. Once you enter the age factor value, say 45 for the covered person, the correct rate is derived and multiplied times the coverage amount to determine the monthly premium rate for the policy quote.

Enter Additional Contract Data

Overview

Oracle Lease and Finance Management uses Oracle descriptive flexfields to enable you to capture additional contract data for common contract business objects such as the contract header, contract lines, and contract parties. Descriptive flexfields allow you to set up additional fields on a contract. You can enter additional flexfield information during the contract authoring process and when importing data with imported contracts. Flexfield data can be updated during contract revision, rebooking, and can be enabled for viewing and update from the Lease Center. You can also enable descriptive flexfields so customers can view them and vendors can view flexfield data in the Customer Self Service and Vendor Self Service portals.

Set Up Profile Options

Before using additional flexfields in Oracle Lease and Finance Management, you must set up users, responsibility, and site level profile options to determine who can view and update additional contract fields in the Lease Center. Profile option setups also determine whether descriptive flexfields are displayed in Customer Self Service and Vendor Self Service.

Lease Center Profile Option

To view and update descriptive flexfields on a contract in the Lease Center, set the OKL: Update Descriptive Flexfields to Yes. This profile option allows users to view and update additional flexfield data on a contract. If the OKL: Update Descriptive Flexfields profile option is set to No, then the Lease Center Descriptive flexfields will be read only.

Users with Lease Center responsibilities can access and view contracts in Oracle Advanced Collections from the Lease Center by using the Lease Contracts Manager Responsibility as follows.

1. Navigate to **Setup > Contract > Categories & Sources > Define Categories**
2. Query: Category Code of LEASE under the Responsibilities tab.
3. Enter the desired Lease Center Responsibility (e.g., Lease Center Agent) with the desired Access Level.

This profile option enables the Lease Center user responsibility to access the Oracle Collections User Interface and navigate to the Contracts tab to select Lease, and view Oracle Lease and Finance Management contracts.

Customer Self Service Profile Option

To enable descriptive flexfields on a contract in Customer Self Service, set the OKL:

View Contract Additional Information in Customer Self Service profile option to Yes. Flexfields cannot be updated from Customer Self Service.

Vendor Self Service Profile Option

To enable descriptive flexfields on a contract in Vendor Self Service, set the OKL: View Contract Additional Information in Vendor Self Service profile option to Yes. Flexfields cannot be updated from Vendor Self Service.

For more information on setting up profile options, see Appendix A - Profile Options in the Oracle Lease and Finance Management Implementation Guide

Entering Additional Contract Data

Oracle Lease and Finance Management enables you to add flexfield structures to contract headers, contract parties, and contract lines for assets, fees, and services. You can setup more than one structure for any part of the contract that has been enabled for descriptive flexfields, but you can only use one structure for part of a single contract. When you see the Additional Information section on a contract, if there is more than one flexfield structure set up for that part of the contract, you select one of the structures to use for that section. Then you complete the fields that comprise the selected flexfield structure.

Once you determine what additional contract information you want to add to a contract, see the *Oracle E-Business Suite Flexfield Guide* for information on using Oracle descriptive flexfields. When you set up a flexfield structure, you must associate it to a part of the contract where you want to use it. Set up and enable the following flexfields to use in Oracle Lease and Finance Management:

- For Contract Headers: OKL_K_HEADERS_DF
- For Contract Lines: OKL_K_LINES_DF
- For Party Roles: OKL_K_PARTY_ROLES_DF

Additional Data for a Contract

The following table indicates the location where you can enter additional information for parts of a contract if you enabled the associated flexfields and assigned structures to them:

Contract Section and Location Details

Contract Section	Location
Header	General tab for a contract.

Contract Section	Location
Parties	Party Details page from the Parties tab for a contract.
Assets	General tab for an asset from the Configuration tab for a contract.
Fees	Fee Details page from the Additional Charges or Configuration tabs for a contract (fee types are found in both tabs).
Services	Service Details page from the Additional Charges tab for a contract.

Enter Extensible Attributes

Most of the terms and conditions used to manage a standard lease or loan contract are consistent for different lessors. However, there can be some variances in these terms and conditions due to the industry, business processes, regulations or other factors. The Extensible Attributes feature can be used in such cases. This feature allows you to define terms and conditions at the contract level as well as the contract line level.

Oracle Lease and Finance Management allows capture of a large set of data points using descriptive flex fields (DFFs). However, DFFs do not provide sufficient fields to capture all the required information. Extensible attributes can be used to capture this information.

Note: This feature can be used only for Lease Contract Terms.

Set Up Extensible Attributes

Before using extensible attributes in Oracle Lease and Finance Management, you must perform the set up steps. For more information on setting up extensible attributes, see *Set Up Extensible Attributes, Oracle Lease and Finance Management Implementation Guide*.

Enter Extensible Attributes for a Contract

The **Additional Terms** region can be used to capture information in the following sections of a contract:

- Header
- Asset

- Service
- Usage

Note: You must follow these rules when entering extensible attributes:

- You can define extensible data groups only for Lease Contract Terms.
- The number of data sets within a data group must not exceed five.
- Association of data group with data group type (line style) is one to one mapping.

Manage Extensible Attributes on a Contract

Contracts between lessees, lessors and the related contracts or agreements with vendors can be modified by agreement amongst the parties. In addition, individual attributes, such as addresses, dates or other similar information (comprising part of a term or condition contained in a contract) can be changed after the original contract is entered. These attributes can be maintained by various representatives or managers as a contract progresses through its lifecycle. Hence, after a contract is authored, the attributes comprised of terms must be available for modifications.

You can add, modify or remove extensible attributes at various levels of a contract.

You can perform the following tasks using extensible attributes:

- Extend the storage of terms for extensible attributes on a lease or financing contract in the OA framework level at following levels:
 - Contract Header
 - Asset
 - Fee
 - Service
 - Usage
- Manage the extensible attribute or term from the Lease Centre. Additional Terms uses attributes which allows you to view and update in the Lease Center for any level.
- Use extensible attributes in the copy or rebook functionality.

- Modify the contract import process by adding relevant information using extensible attributes. Columns and fields in the OKL_TERMS_INTERFACE tables facilitate contract import with the additional attributes.
- Use extensible attributes in a contract template.

Validate Extensible Attributes

You can use check points in the QA checker to validate an extensible attribute during booking. You can also add additional QA check points corresponding to any extensible attribute. You can add stop messages or warning messages as additional QA check points.

Book the Contract

Once you activate a contract, it can be billed, accounted for, and processed for changes. The process of making a contract active is Booking. Booking includes the following steps:

- Validate the Contract
- Calculate Upfront Tax (if taxes are enabled for your operating unit)
- Price and Submit Contract

After each step, the contract changes statuses. You can tell what activation processes have been performed by the contract status. Contracts that have not yet begun the booking process are in New or Incomplete status. If you update a contract after completing any of the booking steps, the contract returns to Incomplete status and you must complete the booking steps again before a contract is activated.

You start the booking process by clicking on the Activate Contract button and using the guided train steps. The booking checklist keeps track of which steps you have completed. However, you cannot move to the next step of the train if the current step cannot be completed. You must correct any errors and restart the train. You can exit the train at any point and restart from where you left off based on the contract status.

You use the checklist to access results of the booking process steps even after you have completed booking. From the checklist you can view the validation results, streams and other important details of the booking and pricing process.

Booking Summary Overview Page

You can also view the yields calculated for the contract after you have completed the pricing step. The following table lists the contract summary displayed on the Booking Summary Overview page:

Contract Summary

Field	Description
Book Classification	The book classification derived from the contract's financial product.
Effective From	The start date of the contract you entered on the contract header details page.
Total Financed Amount	The total capitalized cost of the equipment and fees financed on the contract.
Total Funded	The total amount of all approved funding requests of type Asset or Expense.
End of Term Option	The end of term purchase option you entered in the Purchase Options terms in the Terms and Conditions tab for a contract.
Total Upfront Sales Tax Amount	The total amount of any upfront taxes calculated for the equipment on the contract.
True Tax	Yes if the tax owner is Lessor, otherwise No.
Effective To	The end date of the original contract term.
Total Residual Amount	The total amount of residual for all asset lines on the contract.
Total Subsidies	The total amount of all subsidy adjustments for all assets on the contract.
End of Term Amount	The purchase amount of the end of term option you set up in the Purchase Options terms in the Terms and Conditions tab for a contract.
Residual Value Insurance Premium	If you enabled RVI, set a premium rate and you are using external stream generation, the amount of the fee line automatically created for the insurance premium.

The following table lists the yield summary displayed on the Booking Summary Overview page:

Yield Summary

Yield	Description
Pre-Tax Internal Rate of Return	The yield includes cash inflows from payments related to fees and assets, but not services, usage or insurance. Cash inflows also include payments for down payments and interim interest but not subsidies. Cash outflows include equipment costs and expenses for fees, but not services, usage or insurance.
Booking Yield	Includes the same cash flows as the IRR, but cash flows are discounted on an accounting period basis not periodically.
After-Tax Internal Rate of Return	The yield includes cash outflows associated with income tax payments. This yield is only calculated if you are using external stream generation.
Implicit Interest Rate	The rate includes only cash flows associated with financing activities. Cash flows for periodic income and expense fees are not included.
Subsidized Pre-Tax internal Rate of Return	The same rate as the unsubsidized Pre-Tax IRR, but the cash inflows include payments for subsidies.
Subsidized Booking Yield	The same rate as the unsubsidized Booking Yield, but the cash inflows include payments for subsidies.
Subsidized After Tax Internal Rate of Return	The same rate as the unsubsidized After-Tax IRR, but the cash inflows include payments for subsidies.
Subsidized Implicit Interest Rate	The same rate as the unsubsidized Implicit Rate, but the cash inflows include payments for subsidies.

Activation Checklist

You can view the status of checklist items required to complete booking if you set up booking items on checklists and used a lease application with an associated checklist as the source of your contract.

From the checklist summary, you can view the results of checklist items that are executed automatically or update the items you can simply check off on the list. If an item is not completed or did not pass, the status of the item indicates whether you need to correct it. The status of all checklist items is passed in the seeded approval workflow

notification during the approval step of the booking process. If your user profile has been enabled for it, you can add items to the checklist or update items other than the simple check off box. Otherwise, to update a check box, click the Update button and select the check box for the completed items.

Validate the Contract

Contract validation is the first step in the activation process. Oracle Lease and Finance Management uses a feature called QA Checker to check the contract for data inaccuracies or inadequacies prior to starting the tax or pricing calculations. All validations must be passed or at a validation level of Warning before you can proceed to the tax calculation or pricing steps.

The QA Checker can be modified or extended to meet your needs for contract validation. A set of minimum validations are seeded on the list for the QA Checker associated to the Lease or Loan contract validation. Most of the seeded items are set at a validation level of Warning. Only items critical to the proper functioning of the contract are set to validation level of Error. You cannot remove any seeded validation, but you can change the validation level from Warning to Error. You cannot lower a validation item from Error to Warning.

You can add items to the seeded QA Checker. The items you add can be very flexible and include actual code extensions that perform activities in the application or actively look up data real time during the validation step. For more information on modifying the QA Checker, see the *Oracle Core Contracts User Guide*.

If the contract successfully passes validation, the contract status changes to Passed. Click Continue to go to the next activation step, or click Save for Later to maintain the Passed status and come back to the activation process later.

To view the validation list at any point after it has been completed, you can click on the Details icon in the Activation Checklist to view the validation results.

Calculate Upfront Tax

If you have enabled the Upfront Tax check box during Oracle Lease and Finance Management set up, then the booking process calculates and displays the tax lines and the total amount of upfront sales tax. Tax lines are stored by the Tax Engine and viewed on the tax summary details page for a contract from the activation checklist.

If you have enabled upfront tax and set it up to be financed, a financed fee line will be created automatically. You must return to the Configuration tab or the Payments tab and set up a payment for the financed tax fee line before you can continue booking.

Click Continue to go to the next activation step, or click Save for Later to maintain the Passed status and come back to the activation process later.

To view the tax summary list at any point after it has been completed, you can click on the Details icon in the Activation Checklist to view the tax information.

Price and Submit

If your contract passed validation and the taxes are properly calculated, the next step is pricing and submission. Pricing includes the generation of streams for a contract and calculation of contract yields. If you are satisfied with the pricing results, you submit the contract for approval to book and activate it.

Generate Streams

This process generates the streams and yields for the contract. The yields appear on the Booking Summary page after the system has generated streams.

To start the stream generation pricing process, click the Price button on the Price and Submit step of the train.

If the value of the Stream Generation Method field on the stream generation template for your contract's financial product is set to Internal, the streams will be generated automatically using the internal stream generation pricing engine and the contract status changes to Complete. If there is any error in pricing using the internal stream generation engine, you will see the error immediately on the page.

If the value of the Stream Generation Method field on the stream generation template for your contract's financial product is set to External, you submit a pricing request to the external stream generation pricing engine. After submitting your request, you will see the request number and a Refresh button. You can click the Refresh button to check if the request has been completed. Once your request has been sent to the pricing engine, received back and processed for results without any errors, you receive a message and the contract status is updated to Complete. If the process completes, but there were errors in processing the results or the pricing engine found errors while performing calculations, the process will show Complete with Errors. You can view the stream results to determine if the errors need to be corrected. If the errors result in an incomplete contract or the process cannot be completed, you will receive an error warning and the contract status remains Passed.

After the streams have been generated, the yields appear on the Booking Summary page.

If you want to review the stream results before you submit the contract for booking approval, you can click Save for Later and return to the Activation Checklist. Click the Details icon in the Price Contract row and search for streams to view. Otherwise, you can submit your contract for booking approval to complete the booking process.

The actual streams that are generated depend on how you configured the stream generation template associated to your contract's financial product. You can also set up a financial product for reporting purposes by associating a reporting product to your contract's financial product. The stream generation template associated to the reporting product is also used to generate stream with the stream purpose of Reporting for use with Oracle Lease and Finance Management's Multi-GAAP feature.

Streams are used for a variety of purposes including billing, accounting and reporting.

See: Streams and Pricing, *Oracle Lease Management Implementation Guide*

Viewing Streams

To review the stream results, click Save for Later and return to the Activation Checklist. Click the Details icon in the Price Contract row. In the streams search page, you can select the type of contract line you for which you want to view streams or leave it blank to view streams for the contract. To view contract line streams, select either Asset, Fee, or Service line and click Go. The results show you the streams generated for that line. To view the details of a stream such as the stream elements, select the stream name.

Submit

If you are satisfied that all checklist items are completed, that the pricing is correct and the status of the contract is Complete, you submit the contract for booking approval. By submitting the contract for approval, a workflow is initiated using Oracle Workflow and routed based on your workflow configuration. You can configure the workflow to perform functions, check on items and make decisions based on conditional values. You can also configure the workflow to use Oracle Approvals Manager. The Approvals Manager works in conjunction with your HR Organizations to determine the right user to whom approvals should be routed. The seeded approval workflow automatically approves all contracts. The workflow transaction type for the booking approval required to set up Oracle Approvals Manager is: OKL LA Contract Booking Approval. For more information on setting up Oracle Workflow and Approvals Manager, see *Oracle Approvals Management Implementation Guide*.

Contract Activation

When a contract is approved, Oracle Lease and Finance Management performs a number of activities to complete the contract booking and activation. Oracle Lease and Finance Management performs the following tasks for activating a contract:

- A record for each asset is created in Oracle Install Base. The Install Base record stores the asset location and serial number information. You can use the Install Base record to store other information about asset equipment. See *Create Install Base Records*.
- Depending upon the book class and tax owner of your contract's financial product, a fixed asset record is created in Oracle Assets. The following table describes the asset type entries made depending upon the book class and tax owner combinations.

Book Class	Tax Owner	Asset Entries in Oracle Assets
Operating	Lessor	<p>Asset created in Corporate book for fully capitalized asset cost.</p> <p>Asset created in selected Tax books for fully capitalized asset cost.</p> <p>Asset created in Tax book for fully capitalized asset cost if the book class of the reporting product associated to the contract's financial product is Operating. The Tax book is determined from the book set up as reporting book in Setup tab.</p>
Operating	Lessee	Not allowed on contract.
Direct Finance	Lessor	<p>Asset created in Corporate book for –0- cost.</p> <p>Asset created in selected Tax books for fully capitalized asset cost.</p>
Direct Finance	Lessee	<p>Asset created in Corporate book for –0- cost.</p> <p>Asset created in selected Tax books for –0-.</p>
Conditional Sale	Lessor	Not allowed on contract.
Conditional Sale	Lessee	<p>Asset created in Corporate book for –0- cost.</p> <p>Asset created in selected Tax books for –0-.</p>
Loan	Lessor or Lessee	No asset created.

- A call is made to the Oracle Lease and Finance Management Accounting Engine.

The transaction type is Booking. All accounting set up to generate journal entries for the Booking transaction type will be generated. For more information on booking accounting, see appropriate sections of the Oracle Lease and Finance Management Implementation Guide and the Oracle Lease and Finance Management User Guide.

- The contract status is updated to Booked and all streams and asset lines on the contract are updated to Active status.
- Invoices are created for any subsidies set up to be billed.
- Invoices are created for any upfront taxes set up to be billed.
- Interim interest for any pre-fundings is calculated. If you have set up the amount to be capitalized, then the amount is included in the fully capitalized asset cost. If you have set up the amount to be billed, then any catch up billing is invoiced.
- If there are any advance receipts for the contract that match streams generated, then the invoices for the receipts are created and the receipts are automatically applied.
- Linked records are created for service lines with linked Oracle Service Contracts.
- An Oracle Service Contract is created for any usage lines.

Create Install Base Records

When a Contract Administrator creates a contract with serialized assets, new Oracle Install Base (IB) records must be created, if they do not already exist, so that duplication is avoided. If the IB record already exists in Install Base, you must link the serialized asset to the IB record.

The following scenarios clarify what action you must take:

1. If the serial number you entered for an asset exists in Oracle Install Base, and the serial number was created by an external application, the asset will be associated to the IB record
2. If the serial number you entered for an asset does not exist in Install Base, a new IB record will automatically be created.
3. When you create a non-serialized asset, you must create a new IB record.

When activating a contract with a previously used serial number, the following updates take place:

- If the original serial number was created by Oracle Lease and Finance Management, the system associates the existing serialized IB instance to the new asset line and updates contract party, party account and locations details on the IB instance.
- If the original serial number was created from an external application, the system

only associates the existing serialized IB instance to the new asset line but does not update other IB attributes. The QA Checker validates that contract party, party account and location match with the contract details.

Caution: These scenarios do not apply to Usage Based Billing contracts.

The following procedures address these scenarios:

- Link Serialized Asset to Install Base
- Create Install Base Record for Serialized Asset
- Create Install Base Record for Non-Serialized Asset

Link Serialized Asset to Install Base

1. Navigate to **Customers > Contracts** and select or create a contract.
2. Click **Save and Add Details**.
3. Navigate to the Configuration Tab to create a serialized asset and click **Apply**.
4. From the Update dropdown list associated to the serialized asset, select Serial Number and click **Go**.
5. Enter the serial number for each unit of the serialized asset and click **Apply**.
6. Navigate to the Summary tab and click **Activate Contract**.

If the serial number you entered exists in the Install Base, the IB record is linked to the serialized assets.

Create Install Base Record for Serialized Asset

1. Navigate to **Customers > Contracts** and select or create a contract.
2. Click **Save and Add Details**.
3. Navigate to the Configuration Tab to create a serialized asset and click **Apply**.
4. From the Update dropdown list associated to the serialized asset, select Serial Number and click **Go**.
5. Enter the serial number for each unit of the serialized asset and click **Apply**.
6. Navigate to the Summary tab and click **Activate Contract**.

If the serial number you entered does not exist in the Install Base, a new IB record will

be created for the serialized assets.

Create Install Base Record for Non-Serialized Asset

1. Navigate to **Customers > Contracts** and select or create a contract.
2. Click **Save and Add Details**.
3. Navigate to the Configuration Tab to create a serialized asset and click **Apply**.
4. Navigate to the Summary tab and click **Activate Contract**.

A new IB record will be created for the non-serialized assets.

Guidelines

All currency information in Oracle Assets is recorded in the functional currency of the set of books, with all the conversions performed automatically if the functional currency is different from the contract currency.

After a contract is activated, you cannot perform the following activities:

- Modify a contract without performing a contract revision, mass rebook or a contract re-lease. Non-financial updates can still be made through the Lease Center.
- Creating pre-funding requests.
- Price or validate a contract.
- Record advance receipts for a contract.
- Calculate upfront taxes.

After a contract is activated, you can still perform the following activities:

- Create funding requests that are not pre-funding types.
- De-link a service contract.
- View streams, pricing and validation results.
- View contracts in Customer and Vendor Self-Service modules.

Contract Attachments

You can attach documents in multiple formats associated with a contract, sales quote, or lease application. You can also add, delete, query, or update any files that you attach. Attachments types include files, URLs, or text. Authorized users will have easy access to any attached files.

Attachment Category

When adding an attachment, you must select the attachment Category, which determines the level of access to the documents in the application and in the Lease Center. You can select from the following two options:

- **Miscellaneous** – has the least restrictions in access with the attachments being shared in both the application and the Lease Center.
- **Lease** – more confidential, allowing access in the application, but not in the Lease Center

Publish to Catalogue

At the end of the process, the Publish to Catalogue icon enables you to configure the attachments to be shared with other people.

Add an Attachment

To attach a document to a contract, sales quote, or lease application, perform the following steps:

1. Search for the contract.
2. Open the contract.
3. Click Attachments.
4. Click Add Attachments.
5. Enter Title and Description.
6. Select the Category
7. Choose the attachment file.
8. Click Apply.

Streams

This chapter covers the following topics:

- Streams Overview
- Stream Use In Oracle Lease and Finance Management
- Stream Generation Overview
- View Streams

Streams Overview

A stream is a schedule of amounts and associated dates. Oracle Lease and Finance Management uses stream generation to recover a lessor's investment through a series of scheduled payments. The generated streams are associated with expense and income flows for the lessor. Streams are also used in billing, accounting, and other processes. Oracle Lease and Finance Management generates yields simultaneously with stream generation.

Streams consist of the following main components:

- Stream Type
- Stream Header
- Stream Elements

Stream Type

The stream type provides a functional name for a stream and relates the stream to attributes used to process streams in Oracle Lease and Finance Management procedures. The specific attributes carried by stream types define how Oracle Lease and Finance Management processes or utilizes the associated stream elements. Examples of stream types in Oracle Lease and Finance Management include Rental Income, Principal Balance, and Interest Payment.

For a complete list of Oracle Lease and Finance Management stream types, see Streams Appendix, *Oracle Lease and Finance Management Implementation Guide*.

Stream Purpose

A stream purpose is an important attribute of a stream type that determines how Oracle Lease and Finance Management processes the stream. Oracle Lease and Finance Management recognizes streams based on their stream purpose name.

Stream Header

Stream types are associated to stream elements through the stream header. The stream header defines the overall status of the stream as well as the object the stream elements relate to, such as a contract, quote, or asset. A stream header includes the stream type, status, contract ID, optional contract line ID, and a valid date range.

Stream Elements

The stream elements are a series of dates and amounts that represent a flow with financial impact, not necessarily just for billing and cash purposes. Stream elements include the date, the amount, the date billed, and the header ID.

The following table provides an example of a stream where the stream type is Rent and the Contract ID is 22738.

Oracle Lease and Finance Management Stream Example

Date	Amount
15-Jan-04	100
15-Feb-04	100
15-Mar-04	100
15-Apr-04	100
15-May-04	100
15-Jun-04	100
15-Jul-04	100
15-Aug-04	100

Date	Amount
15-Sep-04	100
15-Oct-04	100
15-Nov-04	100
15-Dec-04	100

Stream Use In Oracle Lease and Finance Management

Oracle Lease and Finance Management uses streams for the following purposes:

- Pricing
- Billing
- Accrual

Pricing

In pricing, streams are used to calculate specific yields in relationship to the object being priced, such as a contract, quote, or asset. Streams represent cash flows that are the primary element used in determining the payment or a yield for a sales quote or contract.

Billing

The billing program generates invoice transactions from active, billable streams. Users create billable streams for assets, fees, and services or for the entire contract by creating payments for those objects during contract authoring. When users activate a contract, the billable streams become active.

When users run the billing program, the procedure uses the streams to determine which stream elements to bill. After a stream element is billed, it is marked with a date to identify and separate it from unbilled elements.

Accrual

The accrual program uses streams as a source for accounting transactions. During stream generation, either the internal stream generation program or an external pricing engine creates streams for accruing income and expenses. The specific accrual stream

generated depends on the financial product and what users have entered on the contract.

The accrual program does not automatically accrue each accrual stream. Instead, it references user-defined setups on the contract's financial product to determine which stream types to accrue. Once a stream element has been accrued, it is marked with a date to identify and separate it from unaccrued elements.

Stream Generation Overview

The stream generation process is dependent on the method of stream generation used and the functional process during which streams are generated. The actual streams generated depend on the contract values, the stream generation method, and the setup steps completed during implementation.

Oracle Lease and Finance Management generates streams through an internal process, by an interface with third party pricing software, or by both methods depending on the stream type and usage. Users must determine, by financial product, whether to use the internal or external stream generation method.

The following table shows key Oracle Lease and Finance Management business processes, the business function, and the sources for stream generation:

Oracle Lease and Finance Management Streams and Business Processes

Business Process	Business Function	Stream Sources
Booking Rebooking Contract Import Mass Rebooking Reamortization	Generate Streams	External Stream Generation and Internal Stream Generation
Authoring Customer Service	Accept Insurance Policy	Activation Insurance Program
Variable Rate Processing	Calculate Variable Interest	Internal Stream Generation

This section includes the following topics:

- Internal Stream Generation
- External Stream Generation

- Insurance Activation Program
- Booking
- Rebooking
- Variable Rate Processing

Internal Stream Generation

Oracle Lease and Finance Management generates streams internally during contract activation. This process works in coordination with the calculation of the contract yield to produce all required billing and accounting streams. Internal stream generation is designed for less complex transactions.

External Stream Generation

Oracle Lease and Finance Management integrates with an external pricing engine to generate streams. The external pricing engine can handle complex and structured pricing scenarios and provide a large number of pricing and stream related attributes that impact the generation of streams not available in Oracle Lease and Finance Management. The external pricing engine produces pricing-related schedules needed for standard business processing with Oracle Lease and Finance Management. The pricing schedules are retrieved during stream generation along with the pricing result set from the external pricing engine.

The external stream generation process of Oracle Lease and Finance Management uses a series of APIs and Oracle Workflows to interface, through the Oracle XML Gateway application, to the external pricing engine. Before external stream generation can begin, users must complete the necessary implementation steps.

To set up external stream generation, see *Set Up Streams, Oracle Lease and Finance Management Implementation Guide*.

Insurance Activation Program

After creating insurance quotes, the customer's acceptance of the quotes is indicated in the Origination insurance pages, in the Lease Center, or by an activation program. Upon acceptance, the insurance activation program creates an insurance policy and generates streams for billing, payment, and accounting accruals.

Users create insurance quotes during contract authoring in the Lease Center, or by running the Automatic Insurance Placement Program. If users create the quote, the quote must be accepted before a policy is created. During the insurance placement program, the quotes are automatically accepted. The acceptance of an insurance quote creates a policy and initiates the stream generation process.

A billable stream is generated for the premium due from the insured lessee. A stream is

generated for the payable premium due to the insurance provider and a separate insurance concurrent program runs to pick up the stream and move it to a transaction table or import into Oracle Payables.

Two accrual streams are also generated, one to amortize the revenue and the other to amortize the premium expense. All other related insurance transactions such as paying the premium to the insurance provider, providing cancellation credits to the insured lessee, or retrieving a cancellation credit from the insurance provider are performed through a transaction rather than a stream.

Booking

Users must generate streams in order to activate, or book, a contract. The Oracle Lease and Finance Management activation process requires streams to derive the correct booking entries.

Stream generation assigns stream types to streams based on the user selection during payment, fee, and service creation and based on the streams template associated with the contract's financial product.

Rebooking

Users can book a revised contract by either selecting the contract and modifying it directly from the Revisions menu option in the Contracts subtab of the Origination tab, or by performing a Mass Rebook. Although the rebooking types follow different revision processes, the stream generation process for both rebooking types is the same.

When a contract is rebooked, the old streams are cancelled as of the date of the rebook, and all of the accrual entries and billing records are reversed. When the new version of the contract is rebooked, the new streams become active. When users run the accrual and billing programs, the net adjustment of the booking, or old versus new streams, is booked to the subledgers and general ledger for the same period.

A new stream element is created during rebooking to reverse or credit all of the original billings. This stream, with the stream type purpose of Billing Adjustment, is the total of all billed stream elements for all billable streams as on the date of the rebook.

Additional processing is required to apply any associated credits to new invoices so the contract does not become overbilled.

The following processes leverage rebooking:

- Reamortization of variable rate contracts
- Partial termination quote acceptance

Variable Rate Processing

For contracts with variable rate terms and conditions, a program can be run to process them for variable interest charges. Based on the contract's terms and conditions, the

program determines the interest rate to be applied if the terms specify that a new interest rate requires reamortization and stream generation, and calculates a new billable stream for variable rate interest. The income accrual for the interest adjustment is processed through a transaction rather than an accrual stream.

View Streams

You can view details of generated streams for a particular contract. This function allows you to see the schedule of payments by stream type, along with the corresponding amount for each date for the lifetime of the contract.

For accounting purposes, this feature allows you to review all the generated financial streams and verify that they meet the needs of your organization.

Depending upon the details of the contract, you can view three types of streams:

- Contract Level Streams
- Asset Level Streams
- Service or Fee Streams

You can search and view streams at both summary and detail level. Initially the searches and reports start at the summary level. You can then drill down to see the details of the stream and the stream amount for each due date.

Note that you can see streams generated for multi-GAAP reporting. They appear in the results tables with a purpose of REPORT.

Prerequisites

You must have generated streams for a contract.

Steps

Perform the following steps in the Streams page:

1. Enter the contract number, or part of the contract number containing the streams you want to view, in the Contract Number field and click the Go button.

The results table contains all the contracts that meet your search criteria. The table also includes the status of the contract, such as complete, booked, and so on.

2. Click the hyperlink contract number of the contract that contains the streams you want to view.

At this point, the Contract Streams Summary page appears.

Summary searches

From this page, you can either search directly for contract level streams, or click one

of the two buttons:

- Asset Streams Summary
- Service or Fee Streams Summary

and then enter search criteria to see the streams summary at the appropriate level.

The search criteria for each of the three options include the following:

Stream Type: If you know the particular stream type you want to view, you can choose it from the list of values. Leave the value blank if you want to see all streams.

Status: The status of the stream. The default is All. Other possibilities include Current, History, Hold, and Working.

For asset streams, an additional search parameter is Asset, where you can request to view streams for a particular asset.

3. Go to the relevant Streams Summary page, enter the appropriate search criteria, then click Go.

The results of the search are displayed in a table, which shows a summary of the streams, at the appropriate level (Contract, Asset, or Service or Fee.)

The table includes stream type, the status of the stream, the purpose, the total amount for each stream type, and a Details icon.

If you click the Details icon, the appropriate page appears, which displays one of the following:

- Contract Level Streams
- Asset Level Streams
- Service or Fee Streams

The results show details of stream type, the due date, the amount, the status, and the purpose (which is "REPORT" for multi-GAAP reporting streams).

For asset level streams, you also see the asset number.

For service or fee streams, you also see the service or fee name.

Detail searches

- Once you are at the details level, you can search for more streams at the details level for each of the three categories: Contract, Asset, or Service or Fee.
- Click the appropriate button: Contract Level Streams, Asset Level Streams, or Service or Fee Streams.

The following search criteria are available to help you narrow the search:

Request Number: This is the request number of the request for stream generation.

Stream Type: If you know the particular stream type you want to view, you can choose it from the list of values.

Stream Date From/To: These are the dates that the stream spans.

Purpose: The purpose of the stream.

Status: The status of the stream. The default is All. Other possibilities include Current, History, Hold, and Working.

For asset streams, you can also search for a particular asset or select all assets.

- Click Go.

The results show details of stream type, the due date, the amount, the status, and the purpose (which is "REPORT" for multi-GAAP reporting streams).

For asset level streams, you also see the asset number.

For service or fee streams, you also see the service or fee name.

Guidelines

Each of the three possible stream searches (Contract, Asset, Service or Fee) returns only those streams relevant for that particular search. You cannot see asset level streams, for example, when doing a search for contract level streams.

Run Stream Generation Purge Program

Stream generation can cause large amounts of redundant data to populate the interface tables. Large amounts of redundant data can cause slower stream generation performance. You can improve performance of stream generation by running the Purge Streams Interface Tables program. The Purge Streams Interface Tables program removes redundant data preceding a date that you specify.

Use the Purge Streams Interface Tables concurrent program to delete data that is not required by Oracle Lease & Finance Management from the following tables.

- OKL_SIF_FEES
- OKL_SIF_LINES
- OKL_SIF_STREAM_TYPES
- OKL_SIF_YIELDS
- OKL_SIF_PRICING_PARAMS

- OKL_SIF_TRX_PARMS
- OKL_SIF_RET_LEVELS
- OKL_SIF_RET_ERRORS
- OKL_SIF_RET_STRMS
- okl_stream_trx_data
- OKL_SIF_RET_S
- OKL_STREAM_INTERFACES

To run this program, you must specify the Last Creation Date of the stream data that you want to purge. You can also specify when you want to schedule the program to run.

Prerequisites

You must have generated streams for a contract.

Steps

Perform the following steps in the Schedule Request pages:

1. In the Name field, select Purge Streams Interface Tables.
2. Click Next to add details in the Schedule Request sub pages. Repeat this step for each sub page.
3. In the Parameters field, enter the date before which you want all data deleted in the Last Creation Date prompt.
4. Click Submit to run the request.

View Stream Generation Log File

In order to track and identify potential errors during stream generation, each transaction creates a log file. You can view the log file to identify the cause of the error, in the event one is generated. Errors are generated either from the third-party lease price modeling software that you are using, or internally from the Oracle Lease and Finance Management system.

The log file is kept in the path specified in the "OKL: Stream Generation Log File Directory" profile option and can be accessed by a system administrator with any standard text editor application (Notepad, for example). The file name includes the transaction number created during stream generation (that is,

OKLSTXMLG_<transaction number>.log).

Manage History Streams

Many stream elements that are not required are often generated when contracts are updated, during rebooks, for partial terminations and other relevant transactions. There are generated streams which are currently historized and are also no longer required. This causes large volumes of unnecessary stream-related data to be stored in the application. This slows down the application. To minimize the volume of stream-related data and reduce the number of stream elements being stored in the application, you can use the **Master Program - Purge History Streams** concurrent program. This program allows you to purge history streams on a demand basis.

The following table shows the stream elements from history tables which are eligible for purging.

Stream Elements Eligible for Purging from History Tables

History Table	Stream Elements from History Table Eligible for Purging?
okl_streams	Yes
okl_strm_elements	Yes
okl_streams_h	No
okl_strm_elements_h	No

The stream elements that are eligible for purging should meet the following criteria:

- Associated streams are historized, regardless of the contract status. The exception is the last history set, which is not eligible for purging.
- Stream elements have not been transacted, that is, they have not been:
 - Directly accrued or billed.
 - Used in the calculation of billing or accrual adjustments.
 - Disbursed (investor disbursement streams, passthrough disbursement streams).

Note: No history sets are retained for the following contracts:

- Contracts that have not reached the booked status.

- Abandoned and cancelled contracts.

The following procedure shows how to enable purge of history stream elements for a stream type.

Prerequisites

None

Responsibility

Lease Super User

Steps

Perform the following steps in the **Pricing** tab of the **Setup** page.

1. From the **Stream Types** menu region, search for the stream type for which you want to enable purge of history streams.
2. Click **Update**.
3. In the **Update Stream Type** page, select the **Purge Allowed** checkbox.
4. Click **Apply**.

Purge History Streams

After enabling the **Purge Allowed** checkbox, you can run the **Master Program - Purge History Streams** concurrent program.

The following procedure shows how to purge history stream elements for a stream type.

Prerequisites

- The **Purge Allowed** checkbox must be enabled.
- You must run the **Master Program - Purge History Streams** concurrent program.

Steps

Perform the following steps in the Purge History Streams program on the forms interface:

1. Select the Operating Unit. This is a mandatory parameter.
2. Enter the appropriate option for each of the following parameters for the eligible

stream types:

- **Mode:** Enter **Review** or **Final**.
 - **Review:** This displays the count of stream elements which are eligible for purging.
 - **Final:** This will purge the streams elements.
- **Output Report:** Enter **Summary** or **Detailed**.
 - **Summary:** This displays a summary report having the following information:
 - **Date:** The date when the program is run.
 - **Program Parameters:** The parameters entered by the user.
 - **Contracts:** The number of contracts included with the purged streams.
 - **Stream Elements:** The number of stream elements purged.
 - **Detailed:** This displays a detailed report which includes the number of stream elements which are eligible for purging for each stream type. The following information is displayed:
 - Contract Number
 - Contract Status
 - Contract Effective From
 - Contract Effective To
 - Contract Termination Date
 - Stream Types Name
 - Stream Type Element Count
- **Contract Status:** Select one of the following options:
 - Abandoned
 - Active
 - Not Booked

- Terminated/ Expired
 - **Contract Ended Before Date:** This parameter is applicable for terminated and expired contracts. Enter the termination or expiration dates.
 - **Contract Number:** Select the contract number in which the streams that you want to purge are present. Streams present only in the selected contract are purged.
 - **Customer Account:** Select the customer account in which the streams that you want to purge are present. Streams present only in the selected customer account are purged.
3. Select the **Final** mode to submit the request for purging.

The child program is spurned and the history streams are then purged.

Note: The **OKL: Parallel jobs per worker** profile option has been provided for Purge History Streams program to control the number of parallel jobs per worker. If no value is specified, the system will default the parallel jobs to 1.

Restore Purged History Streams

You can use the **Master Program - Restore History Streams** concurrent program to restore history streams that have been purged.

Prerequisites

- There must be history streams which have been purged.
- You must run the **Master Program -- Restore History Streams** concurrent program.

Steps

Perform the following steps in the Restore History Streams program on the forms interface:

1. You can use the following parameters to select the streams that needs to be restored:
 - Operating Unit
 - Output Report
 - Contract Status

- Contract Number

For more information on each of these parameters, see "Purge History Streams" in this chapter.

2. Click **Submit**.

The history streams are restored.

Note: Streams for abandoned and cancelled contracts cannot be restored.

This chapter covers the following topics:

- Introduction
- Sales Tax
- Property Tax

Introduction

This chapter includes the following two sections:

1. Sales Tax
2. Property Tax

Sales Tax

Sales Tax Overview

Lessors collect sales taxes from customers and make payments to tax authorities. Sales tax is applicable to lease contracts based on the laws enacted for each jurisdiction in which taxable events occur. Taxable events occur throughout the life cycle of a contract or asset.

Oracle Lease and Finance Management integrates with Oracle E-Business Tax to provide a single point solution for transaction-based tax service needs. Oracle E-Business Tax is the solution for content, determination, recording, administration, and information services. E-Business Tax is an application based on a single data model that encapsulates fiscal and tax rules for a single point solution, providing automation, integration, and collaboration throughout the E-Business Suite. E-Business Tax is the only application that serves as an engine for transaction-based taxes for other applications in the E-Business suite. Before you can fully integrate Oracle Lease and

Finance Management with E-Business Tax, you must complete the required Oracle Lease and Finance Management setups.

Transaction-based tax compliance is the legal obligation of lessors for all tax jurisdictions in which they do business. Transaction based taxes have different names in different countries and jurisdictions. Examples of transaction-based taxes are Sales Taxes in the US, GST and PST in Canada, VAT in Europe. The appropriate jurisdiction laws dictate the need to correctly calculate, invoice, collect, and remit transaction-based tax.

Oracle Lease and Finance Management generates transactions on specific events that happen during the lifecycle of a lease contract. The lessor is responsible for correctly calculating, collecting, and remitting transaction-based taxes for these transactions based on Lease specific tax requirements within the various applicable jurisdictions. The lessor is also responsible for validating, calculating, and paying taxes for transactions that result in creation of payables invoices. These invoices are used to pay suppliers for equipment, service, and maintenance and pass-through charges.

Integration with E-Business Tax enables you to perform the following:

- Capture tax determinants and map to tax call parameters
- Import precalculated upfront tax
- Process tax events from Procure to Pay transactions
- View detailed tax results and calculations

For information on E-Business Tax, see the following guides:

- *Oracle E-Business Tax User Guide*
- *Oracle E-Business Tax Implementation Guide*
- *Oracle E-Business Tax: Guide to Integrating with Taxware Sales/Use System*
- *Oracle E-Business Tax: Guide to Integrating with Vertex Q-Series*

Tax Calls

Tax calls are made to the E-Business Tax engine from Oracle Lease and Finance Management to calculate sales tax. Oracle Lease and Finance Management supports the following three types of tax calls:

- **Upfront Tax** – tax is calculated for a contract at the time of booking/rebook, sales quote, and asset location change tax events. Upfront tax call is made with reference to the payment stream defined for contract header and asset line of the contract. Fee line, service lines, insurance line, and UBB lines are excluded from upfront tax calculation.

- **Invoice Tax** – no invoice tax calls are made from Oracle Lease and Finance Management. Tax calculation is done in Receivables. Oracle Lease and Finance Management passes tax parameters to Receivables for tax calls on the Oracle Lease and Finance Management invoices.
- **Tax Schedule** – schedule of invoice amount and related tax amount is prepared for a given period

You set up the details of upfront tax calculation at the asset line level. Oracle Lease and Finance Management processes upfront tax using the following:

- **Bill Upfront Tax** – Upfront tax is billed to lessee as a tax-only invoice in Receivables.
- **Financed Upfront Tax** – A financed fee is created for the amount of upfront tax that is set to Financed. You must define payments for the financed fee.
- **Capitalize Upfront Tax** – A capitalized fee is created for the amount of the upfront tax that is set to Capitalized.

Transaction Tax

Transaction Tax Overview

Oracle Lease and Finance Management generates transactions during the life cycle of contracts and the assets after the assets are terminated from the contract. The lease contract and asset related transactions are taxed according to the laws in a jurisdiction, which vary across countries and different tax jurisdictions. The appropriate jurisdiction laws dictate the need to correctly calculate, invoice, collect and remit transaction-based tax.

Oracle Lease and Finance Management generates transactions that result from specific events, some of which are defined as taxable events in Oracle Lease and Finance Management. The taxable transactions require the calculation of taxes on corresponding transactions. Oracle Lease and Finance Management integrates with Oracle E-Business Tax in the Oracle E-Business suite for its tax calculation and the recording of tax on Lease transactions

Oracle Lease and Finance Management Transactions Types for Tax Calculation

Oracle Lease and Finance Management supports the following transaction type scenarios for tax calculation:

1. **The transaction is generated in and the tax is calculated in Oracle Lease and Finance Management:** This is the case for transactions like booking, rebook, and sales quotes. When the transactions are generated and recorded in Oracle Lease and Finance Management, Oracle Lease and Finance Management determines the E-

Business Tax attributes of the transactions, and makes tax calls to Oracle E-Business Tax.

- 2. The transaction is generated in Oracle Lease and Finance Management, but the tax is calculated in the application in which the transaction is finally recorded:**
This is the case for transactions like billing, credit memo, funding, and disbursement. The transactions are generated in Oracle Lease and Finance Management, but interfaced to Oracle Receivables or Oracle Payables to create invoices, credit memos, or debit memos. Oracle Lease and Finance Management determines the tax attributes of the transaction and passes them to Oracle Receivables or Oracle Payables where the tax calls are made.

Taxable Lease Transactions

Oracle Lease and Finance Management has enabled certain transactions for tax calculation. Oracle Lease and Finance Management derives Oracle E-Business Tax values only for the tax-enabled transactions. The following table describes taxable lease transactions in Oracle Lease and Finance Management. The first column lists the tax-enabled transaction type. This table also shows from where tax calls are generated for different transaction types.

Taxable Lease Transactions Originated in Oracle Lease and Finance Management

Transaction Type	Application Event Class	Tax Event Class	Tax Call Origin	Tax Reported?
Asset Relocation	Asset Relocation	Booking	Oracle Lease and Finance Management	Yes
Booking	Booking	Booking	Oracle Lease and Finance Management	Yes
Rebook	Rebook	Booking	Oracle Lease and Finance Management	Yes
Sales Quote	Sales Quote	Booking	Oracle Lease and Finance Management	No
Tax Schedule	Tax Schedule	None	Oracle Lease and Finance Management	No

Transaction Type	Application Event Class	Tax Event Class	Tax Call Origin	Tax Reported?
Estimated Billing	Estimated Billing	None	Oracle Lease and Finance Management	No
Billing	Invoice	Sales Transaction	Oracle Receivables	Yes
Credit Memo	Credit Memo	Sales Transaction	Oracle Receivables	Yes
Release Billing	Invoice	Sales Transaction	Oracle Receivables	Yes
Release Credit Memo	Credit Memo	Sales Transaction	Oracle Receivables	Yes
Rollover Billing	Invoice	Sales Transaction	Oracle Receivables	Yes
Rollover Credit Memo	Credit Memo	Sales Transaction	Oracle Receivables	Yes
Funding	Standard Invoices	Purchase Transaction	Oracle Payables	Yes
Disbursement	Standard Invoices	Purchase Transaction	Oracle Payables	Yes
Debit Memo	Debit Memo	Purchase Transaction	Oracle Payables	Yes

Lease Contract Tax Calculation

The taxability of Lease transactions, whether it is a contract booking transaction or a contract billing transaction, is dependent on the lease parameters you enter. Lease parameters are recorded on the contract or the Lease transaction itself. Oracle Lease and Finance Management enables you to map set one or more Lease parameters with the following three additional E-Business Tax attributes.

- Transaction Business Category

- Product Category
- User Fiscal Classification

The following table explains which lease parameters can be associated with which E-Business Tax attributes.

Oracle Lease and Finance Management/E-Business Tax Lease Parameters

Oracle E-Business Tax Attributes	Lease and Finance Management Parameters	Tax Call Origin
Transaction Business Category 1-5	Tax event class, Stream Type, Transaction Type, Book classification, Taxation Country	Oracle Lease and Finance Management Oracle Receivables Oracle Payables
Product Category 1-5	Stream Type, Purchase Option, Interest Disclosed, Transfer of title, Purchase of Lease, Sale Leaseback, Taxation Country	Oracle Lease and Finance Management Oracle Receivables
Intended Use	Usage of Equipment	Oracle Lease and Finance Management Oracle Receivables
Product Fiscal Classification	Inventory Item	Oracle Lease and Finance Management Oracle Receivables
User Fiscal Classification	Stream type, Transaction Type, Financial Product, Termination quote type, Termination Quote Reason, Purchase Option, Interest Disclosed, Transfer of title, Purchase of Lease, Sale Leaseback, Vendor Location, Usage of Equipments, Age of Equipment, Taxation Country	Oracle Lease and Finance Management Oracle Receivables

Oracle E-Business Tax Attributes	Lease and Finance Management Parameters	Tax Call Origin
Product Type	Goods, Service	Oracle Lease and Finance Management
		Oracle Receivables
		Oracle Payables

Tax Basis and Override

Oracle Lease and Finance Management derives a default taxable basis amount for each tax call. The default tax basis amount is given in the table under each tax event. You can override the default tax basis amount by associating a formula with a transaction type in the Tax Basis Override page.

Oracle Lease and Finance Management evaluates formulas associated with the transaction type of the tax event.

- If a **Tax Basis Override** formula has been specified, the system will compute the default **Tax Basis (Sum of Rents)** and interface this as **Line Amount**. The amount returned by the **Tax Basis Override** formula will be interfaced as **Assessable Value**.
- When **Tax Basis Override** formula has not been specified, the system will compute the default **Tax Basis (Sum of Rents)** and interface this value to the tax engine as both **Line Amount** and **Assessable Value**.

This is required to support interfacing both **Sum of Rents** and **Asset Cost** (to be defined through formula) as tax basis amounts and tax engine may be configured to use the appropriate basis based on tax location.

To set up or update a tax basis override, see Set Up Business Tax Override, *Oracle Lease and Finance Management Implementation Guide*.

Sales Tax Setups

Before Oracle Lease and Finance Management can calculate taxes, you must define the tax details and complete the tax setup steps. To set up sales tax, see Set Up Sales Tax, *Oracle Lease and Finance Management Implementation Guide*.

Lease Sales Quotes

When creating a sales quote, you can estimate future tax calculation. Sales tax can be calculated at any time before or on acceptance of the quote. When financing the sales tax, you can determine what part of the tax to finance for the financed tax fee amount.

An Upfront tax call is generated when a sales quote is priced. You can also generate a tax call manually in the Pricing tab. You have the option of creating financed or capitalized fees for an upfront tax amount.

The following table describes conditions for a tax call during the Oracle Lease and Finance Management lease sales quote process.

Lease Sales Quotes And Sales Tax

Event	Transaction Type	Tax Calls	Tax Call Type	Tax Date	Tax Processing	Default Basis Amount	Estimated or Actual
Lease Sales Quote	Quoting	One for each header/line payment stream, if available.	Upfront Tax	Contract Start Date	The financed or capitalized tax amount determines the fee line amount.	Sum of each Payment Stream	Estimated

Contract Authoring

When authoring a contract, you create new sales tax details on the contract terms and conditions. You can calculate tax any time before activation of the contract to determine whether to bill or finance the tax amount at the contract line level. When you activate the contract, Oracle Lease and Finance Management automatically calls the Oracle Receivables tax engine to calculate taxes.

To create sales tax details on a contract, see [Create Sales Tax Details](#).

Contract Booking

When booking a contract, you can create new sales tax details on the contract terms and conditions. These details default onto the contract lines if the Update Lines From Contract Header check box is selected.

You can calculate tax any time before the activation of a contract. You can determine whether to bill or finance the tax amount at the contract line level. Upon activation of the contract, a tax call to the Oracle Receivables tax engine will be made automatically.

Upfront tax calls are generated when the contract is validated and activated. The tax schedule for the life of a contract is also generated on contract activation.

The following table describes contract booking events and sales tax calls.

Contract Booking and Sales Tax Calls

Event	Transaction Type	Tax Calls	Tax Call Type	Tax Date	Tax Processing	Default Basis Amount	Estimated or Actual
Contract Activation (Upfront tax call on activation is removed)	Booking	One call for contract header and one call for each asset line.	Upfront Tax	Contract Start Date	Bill, Finance, or Capitalize Upfront Tax	Sum of each Payment Stream	Actual
Contract Activation	Tax Schedule	One call for each payment amount at the contract header/lines level. No tax call for insurance payments and UBB values.	Tax Schedule	Stream Element Date	None	Stream Element Amount	Estimated
Contract Validation (No tax call on validation. Tax calculation is manual after validation.)	Booking	One call for contract header and one call for each asset line.	Upfront Tax	n/a	n/a	n/a	n/a

Contract Validation

The following conditions apply to sales tax and contract validation:

- Upon validation of a contract, Oracle Lease and Finance Management creates financed or capitalized fee lines with an amount equal to the total financed or capitalized tax amount, and with the Sales Tax Fee field set to Yes, if upfront tax for any asset is set to financed or capitalized.
- You can bill upfront tax on some assets and finance upfront tax on others. You can also bill upfront tax on some assets and capitalize upfront tax on others. However, you cannot finance upfront tax on some assets and capitalize upfront tax on other assets
- If the asset upfront tax field is null for any asset, the value for that field on the contract terms and conditions is used for processing the upfront tax.
- A contract cannot have more than one Sales Tax fee line.
- The sales tax fee line amount must be equal to the total financed, or capitalized, tax amount for all assets.
- If a sales tax fee line exists at the time of validation of contract, Oracle Lease and Finance Management does not modify the sales tax fee line with the new fee line amount, if the amount of the fee line is different from the financed, or capitalized, tax amount. You must update the fee line manually.
- The sales tax financed fee line must have a corresponding payment defined.
- The financed or capitalized fee line must be associated with assets for which the tax is financed or capitalized. The Sales Tax fee line amount must be equal to sum of amounts for all associated assets.

Contract Activation

The following conditions apply to sales tax and contract activation.

- Contract activation brings up an error message if the sales tax fee line amount is not equal to the total financed, or capitalized, tax amount for all assets calculated on activation of the contract.
- The Billed upfront tax amount calculated upon the activation of contract may differ from the upfront tax amount calculated on the validation of the contract. Oracle Lease and Finance Management creates a tax-only invoice for the tax amount upon activation of the contract.
- A Tax Schedule call creates a tax schedule request transaction, which is linked to tax

schedule. The tax schedule generated upon activation of a contract is displayed in the Lease Center.

Rebook

When you rebook a contract, Oracle Lease and Finance Management creates two tax lines. One tax line is used for the tax amount determined and returned by the Oracle Receivables tax engine for the rebook tax call. The second tax line is used to reverse the previous booking and rebook tax call with a negative tax amount. You can bill or finance any of the tax lines on rebook.

When you finance the tax, the financed tax fee line amount cannot be negative or zero, and the default values for bill or finance attributed for each tax line are derived from the previous booking and rebook.

Upfront tax calls are generated when rebook contract is validated and activated. In addition, the tax schedule for the life of the contract is also generated on rebook contract activation. The following table describes rebook contract tax calls.

Contract Rebook and Sales Tax Calls

Event	Transaction Type	Tax Calls	Tax Call Type	Tax Date	Tax Processing	Default Basis Amount	Estimated or Actual
Rebook Contract Activation	Booking	One call for contract header and one call for each asset line.	Upfront Tax	Start Date of the Original Contract	Bill, Finance, or Capitalize Upfront Tax	Sum of each Payment Stream	Actual

Event	Transaction Type	Tax Calls	Tax Call Type	Tax Date	Tax Processing	Default Basis Amount	Estimated or Actual
Rebook Contract Activation	Tax Schedule	One call for each payment amount at the contract header/lines level. No tax call for insurance payments and UBB values.	Tax Schedule	Stream Element Date	None	Stream Element Amount	Estimated
Rebook Contract Validation	Booking	One call for contract header and one call for each asset line.	Upfront Tax	Start Date of the Original Contract	Financed or Capitalized tax amount determines the fee line amount.	Sum of each Payment Stream	Estimated

Contract Rebook Conditions

The following conditions apply to rebooking a contract in Oracle Lease and Finance Management.

- An Upfront tax call is generated upon rebook contract validation and upfront tax and tax schedule calls are generated upon contract activation.
- All conditions specified under in the Contract Validation and Contract Activation for Contract Booking sections above are applicable to rebook of contract.
- You cannot change the tax detail fields of existing asset lines.
- If a new asset line is added to a contract, you can create asset level tax details. You can choose to bill, finance, or capitalize the upfront tax subject to the conditions mentioned above in Contract Booking.
- You must update the sales fee line amount if the amount of the fee line is different

from the financed, or capitalized, tax amount as calculated upon rebooking the contract.

- If the billed upfront tax calculated on the rebook is different than the billed upfront tax on the original contract, Oracle Lease and Finance Management generates a tax-only invoice, or credit memo, for the different tax amount. The invoice or credit memo generated includes the rebook transaction date.
- In case of a mass rebook, the differential upfront tax is billed and an invoice or credit memo is generated.

Alternate Upfront Tax Computation for Rebook

Rebook process allows for an alternate method of computing tax. You can select an appropriate value from **Rebook Upfront Tax Calculation**. It is a system option displayed as a list of values under the **Transaction Tax** options.

- Reverse and Recalculate
- Based on Increase or Decrease

Note: You can modify this system option. The default value is **Reverse and Recalculate**.

Alternate Upfront Tax Computation for Rebook

System Option Name	Values	Description	Outcome of Selection
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Rebook Upfront Tax Calculation	Reverse and Recalculate	The default tax basis amount is the revised sum of rents. The tax lines active prior to rebook will be reversed and replaced with tax lines calculated on rebook.	For each asset, the system computes the default tax basis amount as the sum of rents on rebook contract. On activating the rebook, the tax lines that were active prior to rebook will be reversed and replaced with tax lines calculated on rebook. When this system option is enabled, no upfront tax call will be made during rebook for upgraded contracts that did not have tax computed when they were booked.
Rebook Upfront Tax Calculation	Based on Increase or Decrease	The default tax basis amount is the difference between revised and current sum of rents. The tax lines active prior to rebook will not be reversed.	For each asset the system computes the default tax basis amount as difference between sum of rents on rebook contract and the original contract. On activating the rebook, the tax lines that were active prior to rebook will not be reversed. The new tax lines calculated on rebook will be made active. When this system option is enabled, upfront tax call will be made during rebook for upgraded contracts that did not have tax computed when they were booked.

Asset Location Change

An upfront tax call is generated when an asset location is changed in the Lease Center. Only the request for asset location is generated from Vendor Self Service or Customer Self Service. The upfront tax is calculated in a new location, and the tax amount calculated is billed. You can change the asset location for assets on contracts where upfront tax treatment is Financed or Capitalized. After completing the asset relocation process, the system automatically updates the Upfront Tax Financed or Capitalized Fee amounts on the contract with the additional upfront tax applicable for asset relocation and performs a rebook to recalculate capitalized/financed amounts, yields, streams and asset cost on the contract.

The date of an asset location change can be the current date or a prior date, but the prior date cannot be before the date of the last asset location change.

The following table describes an asset location change tax call.

Asset Location Change Tax Call

Event	Transaction Type	Tax Calls	Tax Call Type	Tax Date	Tax Processing	Default Basis Amount	Estimated or Actual
Asset Location Change	Asset Relocation	One call for contract header and one call for each asset line.	Upfront Tax	Change of Location Date	Bill Upfront Tax	Sum of each Payment Stream	Actual

Defer Asset Relocation Tax

You can complete an asset location change on the contract but defer the finalization of computation of asset relocation tax. This is required as tax department may need additional time for manual review and computation of tax credits.

Steps

Perform the following steps in the **Asset Location Change** form:

1. Select the **Process Location** button. This will update the new asset location in Install Base. The asset location change status will reflect as **Processed Location**. The system will raise an asset location change business event on completing the location change that may be extended to notify tax department of location change.

2. Once tax computation has been reviewed and finalized, click on the **Approve** button. The asset location change status will reflect as **Processed**. The system performs the following steps to update the asset location:
 - Marks the tax lines as reportable
 - Creates accounting for upfront tax
 - Updates upfront tax fee amounts and perform rebook (if treatment is Capitalized or Financed)
 - Creates invoice for upfront tax (if treatment is Billed)
 - Updates status of **Asset Location Change** transaction to **Processed**

Override Taxable Basis and Tax Amounts

You can override the system computed asset relocation tax. This is required to incorporate any tax credits granted by the new location. The system allows override of Line Amount and Assessable Value on the **Tax Summary** form.

Steps

Perform the following steps on the **Tax Summary** form:

1. Add two editable fields in **Tax Line Additional Attributes** section for **Line Amount** and **Assessable Value**.
2. Replace **Taxable Amount** column, **Asset Location Change History** and **Tax Summary** regions with separate columns for **Line Amount** and **Assessable Value**.
3. Click on the **Recalculate Tax** button. A new tax call is created to recalculate taxes. The system allows override of Tax Amount on the Tax Lines Details form. This may be required if tax credits are not proportional across jurisdictions.

Perform the following steps on the **Tax Lines Details** form.

1. Update **Tax Amount**.
2. Click on the **OK** button.

Note: Override of **Asset Relocation Tax** is only allowed when status of **Asset Location Change** transaction is **Entered** or **Processed Location**.

Override Asset Relocation Tax Treatment

You can override the asset relocation tax treatment defined on the contract.

Steps

Perform the following steps on the **Asset Location Change** form:

1. Select the **Bill Tax** check box.

Note: The default value of the check box **Bill Tax** is unchecked. If the check box has not been checked, then the upfront tax treatment will be based on values defined on the contract

2. Click the **Approve** button. The asset relocation tax will be billed. It will override the asset relocation tax treatment defined on the contract.

Split Asset

No tax is generated on an asset split transaction. New asset lines are created to replace the existing asset line on the contract if the asset split is by components. If the asset split is by units, the existing asset is changed and new assets are created as necessary. Asset level sales tax details on the original asset should propagate to all of the assets generated as a result of the asset split.

Oracle Lease and Finance Management generates a new set of asset-level upfront tax lines for each asset line that is active after an asset split. These upfront tax lines are active after the asset split transaction. For example, if split asset A results in assets A1 and A2, a set of new asset-level upfront tax lines is generated for assets A1 and A2. The status of the asset level upfront tax lines associated with the original asset before the split changes to Inactive. Contract level tax lines remain Active and are not changed.

A new set of tax lines is derived from the upfront tax lines that existed for the original asset before the split. The tax and taxable amounts are split in the ratio of the split asset cost. The other details of the original tax lines remain the same in the new set of tax lines.

Invoice tax and tax schedule lines are not affected by asset split transactions.

The following table describes a split asset sales tax call.

Split Asset Sales Tax Call

Event	Transaction Type	Tax Calls	Tax Call Type	Tax Date	Tax Processing	Default Basis Amount	Estimated or Actual
Split Asset	Split Asset Tax	No call is made to the tax engine.	Upfront Tax	Split Asset Transaction Date	Split of Tax Lines	n/a	Actual

Termination Quotes

An invoice tax call is generated when a termination quote is created or updated. An invoice tax call is also generated on the creation of a billing transaction when a termination quote is accepted.

An invoice is created when the quote line amount is positive and a credit memo is created when the quote line amount is negative. Tax is recalculated for the whole quote when a quote line is updated or deleted.

The following table describes a termination quote sales tax call.

Termination Quote Sales Tax Call

Event	Transaction Type	Tax Calls	Tax Call Type	Tax Date	Tax Processing	Default Basis Amount	Estimated or Actual
Termination Quote Creation/Change	Billing Credit Memo	One call for each quote line	Invoice Tax	Quote Effective From Date	None	Quote Line Amount	Estimated

Tax Schedules

A tax schedule can be generated upon booking and rebooking or on the activation of a contract. A tax schedule can also be generated manually in the Lease Center.

The following table describes tax schedule events.

Tax Schedule Events

Event	Transaction Type	Tax Calls	Tax Call Type	Tax Date	Tax Processing	Default Basis Amount	Estimated or Actual
Contract Activation	Tax Schedule	One for each payment amount at the header or line level. No tax call for insurance payments and UBB lines.	Tax Schedule	Stream Element Date	None	Stream Element Amount	Estimated
Rebook Contract Activation	Tax Schedule	One for each payment amount at the header or line level. No tax call for insurance payments and UBB lines.	Tax Schedule	Stream Element Date	None	Stream Element Amount	Estimated
Generate Tax Schedule	Tax Schedule	One for each payment amount at the header or line level. No tax call for insurance payments and UBB lines.	Tax Schedule	Stream Element Date	None	Stream Element Amount	Estimated

Billing

Oracle Lease and Finance Management enables you to select the billing method for specific sales contracts. Contracts can be negotiated to pay the sales tax for the entire lease term upfront and capitalize the sales tax. You can define streams on which no upfront tax is applicable when upfront tax has been applied. While upfront tax and periodic tax are not part of the yield calculation, the upfront tax, both partial and full, is financed and the finance line and payments are included in the yield calculation.

When you apply upfront tax, it may be billed to the lessee or financed as a fee on the contract, and the upfront tax must be specified for each stream. In general, upfront tax is not calculated on billing for the specified streams. For example, upfront tax may not be calculated for a rent stream, but is calculated for other streams. In some cases, both upfront tax and tax on stream billing are applicable.

Sales tax details can be updated to change tax rates, the party responsible for collecting and reporting the taxes, or the customer's tax exemption status.

The following table describes billing sales tax calls.

Billing Sales Tax Calls

Event	Transaction Type	Tax Calls	Tax Call Type	Tax Date	Tax Processing	Default Basis Amount	Estimated or Actual
Billing	Billing Credit Memo	Invoice Line Amount	Invoice Tax	Invoice Date	Bill Invoice Tax with an Invoice	Invoice Amount	Actual
Billing/Re marketing	Billing	Invoice Line Amount	Invoice Tax	Invoice Date	Bill Invoice Tax with an Invoice	Invoice Amount	Actual
Billing/Vendor Repurchase Quote	Billing	Quote Line/Contract Line Amount	Invoice Tax	Invoice Date	Bill Invoice Tax with an Invoice	Invoice Amount	Actual

Event	Transaction Type	Tax Calls	Tax Call Type	Tax Date	Tax Processing	Default Basis Amount	Estimated or Actual
Billing/Vendor Cure	Billing Credit Memo	Invoice Line Amount	Invoice Tax	Invoice Date	Bill Invoice Tax with an Invoice	Invoice Amount	Actual
Asset Repair	Billing Credit Memo	Invoice Line Amount	Invoice Tax	Invoice Date	Bill Invoice Tax with an Invoice	Invoice Amount	Actual

View Tax Details

Lessees can view tax rates, amounts, and actual tax billed for each contract in the Lease Center. You can view tax details in Oracle Lease and Finance Management at the following points:

- Upfront tax details for a contract can be viewed from the Total Sales Tax Amount field in the Contract Booking page.
- Invoice tax details can be viewed from Invoice Tax Amount in the Invoice Tab.
- Invoice tax details can be viewed from Invoice Tax Amount in the Lease Center
- Invoice tax details can be viewed from Invoice Tax Amount in Customer Self Service and Vendor Self Service.
- Tax schedules can be viewed in the Lease Center.

Create Sales Tax

To create or update sales tax details for a contract, perform the following tasks.

1. Navigate to the Contract link in the Contacts subtab of the Origination tab.
2. Select your contract.
3. Click Terms & Conditions.
4. Click Taxes in the Additional Information column.

5. Enter your sales tax details.

6. Click Update.

The following table describes sales tax parameters.

Sales Tax Parameters

Field	Description
Update Lines from Contract	If you select this checkbox, the sales tax details you enter in this region will default to the asset line level when you create an asset. If you copy an asset from another asset, the new asset will contain details from the copied asset, not from the default.
Interest Disclosed	Select if the interest amount payable on the contract has been disclosed to the customer.
Transfer of Title	Select if title to the assets has been transferred to the customer on the start of the contract.
Sale and Lease Back	Select if an asset on the contract has been purchased from customer, the lessee, at the start of the contract.
Purchase of Lease	Select if the lease has been purchased from another lessor.
Usage of Equipment	The nature of the usage of equipment.
Age of Equipment	The length of period of use.
Asset Upfront Tax	Determines whether the sales tax is Billed, Financed, or Capitalized.
Billing Stream Type	Select the stream type for the defined asset line above.
Financed Fee Stream Type	Select the stream type for the defined asset line above.
Capitalized Fee Stream Type	Select the stream type for the defined asset line above.

Property Tax

Overview

Property tax is a tax on property owned levied by a tax authority. Oracle Lease and Finance Management enables you to bill lessees for estimated property taxes, make payments to the tax authorities, import actual property tax information, and bill adjustments resulting from the difference between the estimated and actual property tax amounts. You can also associate estimated property tax payments to assets. Oracle Lease and Finance Management property tax billing is generated through Oracle Receivables and payments of actual property tax are disbursed through Oracle Payables.

In Oracle Lease and Finance Management, you define property tax details at the operating unit, contract, and asset levels. You can override default settings for property tax at the contract or asset levels. Estimated property taxes can be defined on both lease sales quotes and lease contracts. The estimated property tax is excluded from contract yield or interest calculations, is effective on or after the contract start date, and cannot precede the start date or exceed the end date of the asset line.

Property taxes can also be imported from third party applications and the actual property tax can be reconciled to the estimated property tax billed for each asset.

Estimated property tax defaults can be defined at the operating unit level and you can override the defaults when you author contract terms and conditions and create assets.

Property Tax Setup

Before property tax can be calculated, the correct property tax details must be setup. To set up property tax, see *Set Up Property Tax, Oracle Lease Management Implementation Guide*.

Property Tax Streams

When you create user-defined streams for property tax receipts and payments, the stream types must be billable and associated to the Fee Payment stream purpose. The property tax receipt and payment streams are generated at the asset level. Property tax streams are not included in funding, are not used for expense or income streams, and are not used for passthrough streams.

For more information on streams, see *Streams Overview*, page 11-1.

Property Tax Billing

You can invoice property tax to the lessee based on the estimated amount, the actual amount, or both.

Importing Property Tax Data

Oracle Lease and Finance Management can import actual property tax details from third party applications. To import actual property tax details, the following prerequisites must be met.

1. The stream type purpose must be Actual Property Tax
2. Select Yes in the Property Tax Applicable field.
3. Define the tax authority in the import data as a tax vendor in Oracle Payables.

To upload actual property tax, you must import files from the third party application.

Quoting and Property Tax

You can create a lease sales quote with estimated property tax payments associated to assets. When you create a contract from the sales quote, the estimated property tax details are carried from the quote to the contract.

To place estimated property tax on a sales quote, see *Create a Lease Sales Quote*, page 7-1.

Contract Authoring and Property Tax

You can override property tax details set up at the operating unit level when you author a contract or you can chose to use the default property tax details. You can also override property tax details set up at the asset level.

To define property tax on a contract, see *Contract Authoring Overview*, page 10-1.

To override property tax details set up at the asset level, see *Contract Authoring Overview*, page 10-1.

Property Tax Payments

To make property tax payments to tax authorities, you create payable invoices for tax liability in Oracle Payables after the actual property tax is imported. A separate invoice is created for each tax authority to which tax is payable.

To create Payables invoices for property tax liability, see the *Oracle Payables User Guide*.

Property Tax Reconciliation Report

When there is a difference between the estimated property tax billed and the actual property tax paid, you can reconcile the shortfall or excess recovery of property tax on asset termination. You run the Property Tax Reconciliation Report on asset termination when you select Estimated and Actual for the property tax bill-to attribute for the asset.

The Property Tax Reconciliation Report compares the estimated property tax billed to the actual property tax paid to calculate the amount of property tax billed short or in excess. When the property tax billing is short, an adjusted property tax is billed. When the property tax billing is in excess, the adjusted property tax results in a credit memo.

Lease Property Tax Report

You can run the Lease Property Tax Report to view the estimated property tax billed and the actual property tax imported. The Lease Property Tax Report can be run by contract or by asset.

Termination and Property Tax

When you terminate an asset, you can reconcile the estimated and actual property tax if the bill-to attribute is set to Estimated or Actual. On reconciliation, if the actual tax is more than the estimated tax, you can create an invoice for the underpayment. If estimated tax is more than the actual tax, you can create a credit memo for the excess collected.

When an asset is terminated, the termination quote calculates the estimated property tax for quote lines. The termination quote determines the estimated property tax amount based on a fixed amount or a formula. You can modify the seeded formula to calculate the estimated property tax amount on the termination quote.

View Property Tax Details

The Lease Center displays all property taxes billed and the property tax details, including the estimated property tax billed, the actual property tax billed, and the property tax adjustments billed. To view property tax details, see the Lease Center.

Importing Contracts

This chapter covers the following topics:

- Importing Existing Contracts

Importing Existing Contracts

Optional

You can import existing contracts from external systems into Oracle Lease and Finance Management using Oracle's open interface tables functionality. This process requires that you upload your contract information into Oracle's five open interface tables, using any standard import utility, such as SQL*Loader, at which time you can import information from those tables into the Oracle Lease and Finance Management tables based on user-defined parameters.

The Oracle open interface tables used to import contracts are:

- OKL_HEADER_INTERFACE
- OKL_LINES_INTERFACE
- OKL_TERMS_INTERFACE
- OKL_PAYMENTS_INTERFACE
- OKL_PARTY_ROLES_INTERFACE

Note: You must include the legacy contract number for all data you are uploading to the open interface tables. This number must be stored in the "CONTRACT_NUMBER_OLD" column of each of the five tables and serves as the primary key. You can add a new contract number in the "CONTRACT_NUMBER" column of the OKL_HEADER_INTERFACE, or if you leave it blank, Oracle Lease

and Finance Management creates a new one during the import process.

After you have uploaded your data to these tables, you can import multiple contracts with one submission, or you can import individual contracts one at a time. In the case of multiple contract importing, you can determine which contracts to import by referencing a batch number, by effective dates, or by customer name.

Two main features of this import functionality are the ability to import the contract into a predetermined contract status, such as Booked or Complete, automatically, and the ability to reference a contract template to provide additional contract information for imported contracts.

In both cases, values must be entered into specific columns in the OKL_HEADER_INTERFACE table to enable the contract import function. There are several contract statuses that you can import a contract with, including new, passed, complete, and booked. Oracle Lease and Finance Management's import function reads the status value that you enter in the "IMPORT_REQUEST_STAGE" column, and processes the contract through to that stage. Depending upon the status, this process may include running validation checks against the contract, generating streams and yields, activating an approval process, creating journal entries, and booking the contract.

Importing a contract with an import status of Complete, or Booked is a two-step import process because these statuses require stream generation through a third-party lease price modeling software. Basically, all imported contracts carry a import status of NEW when they are imported. For contracts that carry the NEW or PASSED contract status after they are imported into Oracle Lease and Finance Management, the import status changes to INTERFACED.

For contracts requiring stream generation, when they are imported and sent into the pricing engine for stream generation they receive an import status of Interfaced. After streams are generated, the import process picks the contract up again, runs the necessary processes, and assigns an import status of Final if the process is successfully completed.

To reference a template contract, you must input the template contract number in the "TEMPLATE_NUMBER" column of the OKL_HEADER_INTERFACE table. This feature allows you to copy contract header and terms and conditions from a template onto an imported contract. This reference populates only those fields that do not already have information from the original legacy contract.

The following processes are covered in this section:

- Import Contracts into Oracle Lease and Finance Management
- Track Contract Import Request Status

- Subsequent Import of Additional Lines

For more information on using Oracle open interface tables, see the *Oracle Financials Open Interfaces Reference* manual.

Import Contracts into Oracle Lease and Finance Management

After you have uploaded all your legacy data to the Oracle open interface tables, you can begin importing the contracts into Oracle Lease and Finance Management. You can import contracts in a number of ways, such as referencing a batch number, by start and end dates, by contract number, or by customer.

Contract Open Interface supports the creation of a contract with multiple tax books on the asset. For this, line records need to be created in the OKL_LINES_INTERFACE table with the same asset number and corporate book information for each asset tax book.

Two main features of this import functionality are the ability to import the contract automatically into a predetermined contract status, such as Booked or Complete, and to reference a contract template to provide additional contract information for imported contracts.

Prerequisites

You must upload the contract data that you want to import into Oracle Lease and Finance Management into the Oracle open interface tables.

Steps

Perform the following steps in the Schedule Request page:

1. Select Lease Contract Open Interface as the program name.
2. Select the operating unit.

Note: The list of values includes operating units assigned to the MO: Security profile.

Additional Information: The selected operating unit restricts the valid list of values in applicable fields.

3. Click Next to add parameters.
4. If you are importing contracts by a batch, enter the batch number in the Batch field.
If you intend to import contracts by batch, you must include the batch number in the correct column in the OKL_HEADER_INTERFACE table for each contract you want to include in the batch.

5. Alternatively, if you want to import a specific contract, enter the legacy contract number in the Contract Number field.

This contract number must be in the "CONTRACT_NUMBER_OLD" column for the contract in the OKL_HEADER_INTERFACE table.

6. If you are importing contracts containing a particular start date, enter the dates Contract Start Date From and optionally Contract Start Date To for the contracts you want to import.

If you want to import only contracts that start on a particular day, enter the same date for both Contract Start Date From and Contract Start Date To.

If you leave the Contract Start Date To field blank, then you have chosen to import all contracts that begin on or after the date Contract Start Date From.

7. If you want to import contracts for a particular customer only, then select the name of the customer whose contracts you want to import.

8. Click Next to add applicable details.

9. Click Submit to run this import request.

Clicking Submit runs the Contract Import (Lease Contract Open Interface) concurrent program. A request ID appears after you click Submit. You can use this reference number to track the progress of your request, so it is recommended you record it for later use.

Track Contract Import Request Status

Optional

You can track the progress of your contract import request through the View option using the concurrent program request function. In order to perform this task, you must know the Request ID of your contract import request at the time you submitted the request.

This functionality allows you to:

- Track the progress of two-step contract imports (for statuses such as Completed, Activated, and Booked).
- Ensure that all the contracts in a specific request have successfully uploaded to Oracle Lease and Finance Management.

By viewing your concurrent program request, you can see the results of the various import steps, including validation checks, stream generation and final booking. You can also view the total number of contracts that are successfully uploaded during the request. If there are any errors against any of the contracts that you are importing during this process, you can review them using the "View Output" option. You can then

make any necessary changes to the data in the interface tables that might have generated an error.

If an error occurs during import, the import status shows Error as the status. Only those contracts that generate an error do not import properly. The View Output file records the number of successfully imported contracts.

Prerequisites

You must run the Lease Contract Open Interface concurrent program

Steps

Perform the following steps in the Requests page:

1. Select the applicable view option in the View field.
2. Click the Details icon for the request that you want to view in the Requests Summary table.

The Request details page opens displaying relevant details about the request including status, phase, requester, and priority.

3. Click the View Log button to see the results of the request.

This log displays information about all the contracts that you imported into Oracle Lease and Finance Management, the number of contracts successfully uploaded, and details on the processes performed on each of the contracts. If there is an error in the request, you can search for the error message on this form to see which (if any) contracts are affected.

Subsequent Import of Additional Lines

Oracle's open interface tables allows subsequent import of additional lines such as assets, fees, services, usage and its corresponding sublines for add-ons, and subsidies for inactive contracts or contracts that are not in booked status.

To import additional lines for the same contract:

1. Set the OKL_HEADER_INTERFACE.INCREMENTAL_LOAD_YN flag to @"Y."
2. Set the OKL_HEADER_INTERFACE.STATUS to "NEW."
3. Upload additional lines, such as asset, fee, service, usage, and sublines including payment and/or party role as needed to the Oracle Lease and Finance Management open interface tables, to import additional lines for the same contract.
 - OKL_LINES_INTERFACE
 - OKL_PAYMENTS_INTERFACE

- OKL_PARTY_ROLES_INTERFACE

Note: The contract must be inactive. Reference the allowed statuses in the table below. In addition, only new lines and related sublines will be imported. If a line already exists, it will not be imported or used to change the present contract data. The contract must already be present for additional lines to be added.

4. Run the concurrent program for Lease Contract Open Interface.
5. Review imported lines for the contract on the authoring user interface.
6. If there is an error during contract import, correct the error and continue with step 4.
7. To import additional lines for the same contract, repeat above steps.

Allowed	Not Allowed
Must have initiated contract creation through contract import.	Contract created using authoring user interface.
Contract must be inactive. Valid contract status: <ul style="list-style-type: none"> • Complete • Incomplete • New • Passed • Approved 	Contract in following status not allowed for subsequent import: <ul style="list-style-type: none"> • Booked • Evergreen • Expired • Terminated • Under Revision • Pending Approval • Abandoned
New lines and sublines.	Existing lines and sublines already imported.

Allowed	Not Allowed
Header information such as contract dates, party roles allowed on initial contract import.	No additional header information such as party roles allowed in subsequent contract import.

Passthroughs

This chapter covers the following topics:

- Overview
- Passthrough Business Process
- Passthrough Setups
- Vendor Reassignment for Passthrough
- Functional Prerequisites
- Passthrough Features
- Using Passthroughs

Overview

A passthrough is a portion of a payment received by a lessor from a lessee that is paid to a vendor. The payment that the lessor makes to the vendor is known as a passthrough.

Automatic passthroughs can be configured on a service or on a fee during the base period and/or the evergreen period and must always include the provision of a service to the lessee by the service vendor.

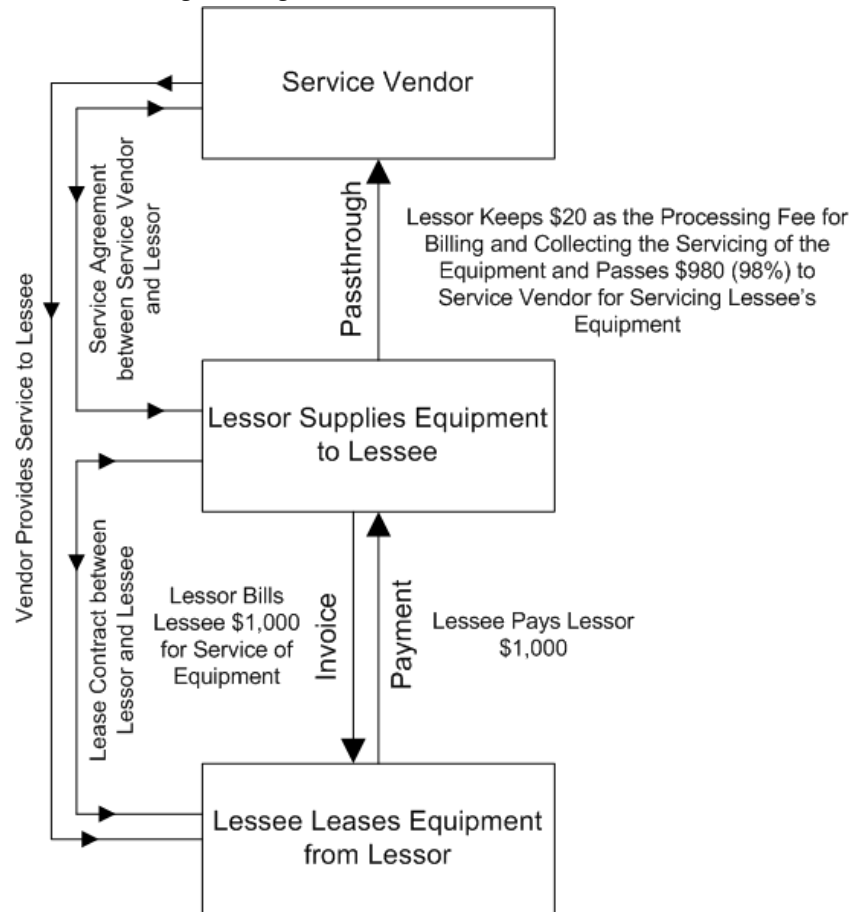
The figure below illustrates a passthrough configured on a service. The service vendor provides the lessor with photocopiers. The lessor leases the photocopiers to lessees, who are corporate customers. In this scenario, the lessor has a lease contract with the lessee, which includes the provision of maintenance service on a photocopier.

Additionally, a service agreement exists between the service vendor and the lessor, such that the service vendor provides maintenance service on the customer's photocopier. Every month, the lessor bills the lessee \$1,000 for the maintenance service provided by the service vendor on the photocopier. The customer pays the invoice and the lessor receives \$1,000. Because a service agreement exists between the service vendor and the lessor, whereby the service vendor services the photocopier, the lessor, in turn, retains \$20 as the processing fee for billing and collecting payment from the lessee and passes

on the service portion of the receipt to the service vendor, which represents the passthrough amount of \$980 (98%).

In some cases, the service vendor may indemnify the lessor against any loss incurred on the disposal of the asset. In these cases, the service vendor is entitled to all or a portion of the rent recovered during the evergreen period. This is also configured using passthrough functionality.

Example of a Passthrough Configured on a Service



Passthrough Business Process

The following table describes the passthrough business process in Oracle Lease and Finance Management.

Step	Action	Description
1.	<p>Define passthroughs on contract fee, service, and/or asset lines:</p> <ul style="list-style-type: none"> Specify vendors who will receive passthroughs. Specify passthrough percentages or amounts to be paid to vendors. Specify the payout bases (billing date, due date, formula, full receipt, or partial receipt) of the passthroughs. <p>Disbursement amounts based on a formula are applicable only during the evergreen period.</p> <ul style="list-style-type: none"> Specify processing fees, if applicable. A processing fee is an amount that a lessor retains for billing and collecting payment from the lessor. <p>Note: A processing fee must be greater than or equal to zero. No processing fee is charged to the vendor if the passthrough amount is negative.</p>	<p>You can enable passthroughs to one or multiple vendors. Allocation of passthroughs to multiple vendors can be based on:</p> <ul style="list-style-type: none"> a fixed amount a percentage <p>You can specify how frequently a passthrough is made to a vendor, based on a schedule or on the timing of the concurrent program processing dates.</p> <p>For passthroughs on fees, you can retain passthrough processing fees based on:</p> <ul style="list-style-type: none"> a fixed amount a percentage of one or more contract lines a combination of fixed amount and a percentage of contract lines
2.	<p>The event on which the passthrough payout is based occurs:</p> <ul style="list-style-type: none"> billing receipt 	<p>For example, if the payout basis is billing and the passthrough disbursement basis is 10%, then 10% of the invoice amount is paid to the vendor. If the payout basis is receipt and the invoice amount is \$100, the receipt amount is \$50, and the passthrough disbursement basis is 10%, then 10% of the receipt amount is paid to the vendor.</p>

Step	Action	Description
3.	<p>Run the following Oracle Lease and Finance Management processes:</p> <ul style="list-style-type: none"> • Pay Invoices Creation of Auto-Disbursement • Pay Invoice Prepare for AP Transfer • Pay Invoices Transfer to AP Invoice Interface 	<p>Running the processes enables the following actions:</p> <ul style="list-style-type: none"> • creates passthrough transactions. • prepares passthrough transactions for transfer to an Oracle Payables interface table. • transfers passthrough transactions from Oracle Lease and Finance Management to an Oracle Payables interface table.
4.	<p>Change responsibility to Payables Manager and run the following process from Oracle Payables:</p> <ul style="list-style-type: none"> • Payables Open Interface Import 	<p>Running the process enables the importation of passthrough transactions into Oracle Payables.</p>

Step	Action	Description
5.	View passthrough details.	<p>You can view the following passthrough details in the Lease Center:</p> <ul style="list-style-type: none"> • passthroughs processed, by vendor. • passthroughs processed on fees. • passthrough parameters defined on contracts during the base term on fee and service lines. • passthrough parameters defined on contracts during the evergreen term. • multiple vendors for a passthrough fee line or service line. • payment schedules on a fee. <p>You can view the following passthrough details in Vendor Self-Service:</p> <ul style="list-style-type: none"> • passthrough processing rules pertaining to assets, fees, and services in the base and evergreen periods. • vendor passthrough information on services, fees, and rent. • passthrough parameters, including passthrough start date, frequency, basis (billed or received) and payment amounts. • for the base term, passthrough

Step	Action	Description
		parameters, transaction type, and disbursement amount for fees and services.
		<ul style="list-style-type: none"> for the evergreen term, passthrough parameters, transaction type, and disbursement amount for assets (rent), fees, and services.

Passthrough Setups

Before you can use passthroughs in Oracle Lease and Finance Management, you must perform the following setup procedures:

- Set up stream types.
- Set up stream generation templates.
- Set up accounting templates.
- Set up vendors.

Set Up Stream Types

Oracle Lease and Finance Management enables you to set up stream types to meet your accounting requirements. When creating a stream type, you must provide a stream type name and a stream type purpose. Appropriate values for the stream type attributes can then be selected. You can create as many stream types as you need. Oracle Lease and Finance Management also provides seeded stream types. The seeded stream types that apply to passthroughs are as follows:

- Pass-Through Expense Accrual
- Pass-Through Fee
- Pass-Through Fee Renewal
- Pass-Through Renewal Rent
- Pass-Through Revenue Accrual

- Pass-Through Service
- Pass-Through Service Expense Accrual
- Pass-Through Service Renewal
- Pass-Through Service Revenue Accrual

For information on setting up stream types, see: Define Stream Types, *Oracle Lease and Finance Management Implementation Guide*.

For information on seeded stream types organized by purpose name, see: Stream Purposes, *Oracle Lease and Finance Management Implementation Guide*.

Set Up Stream Generation Templates

Before Oracle Lease and Finance Management can generate streams, you must define a stream generation template for processing fees using a seeded purpose type of Processing Fee. Only one stream type of purpose Processing Fee can be added to a template. Before using a stream generation template, the following setup tasks must be completed:

- Create stream generation template.
- Select primary stream types and purposes.
- Enter dependent stream types and purposes.
- Enter pricing parameters.
- Associate the stream generation template with an accounting template set and financial product.

Note: When you author a contract and enable passthroughs at the contract or line level, Oracle Lease and Finance Management verifies that the associated stream generation template includes the appropriate seeded purpose. If it does not, the system generates an error message and prevents you from authoring the contract.

For information on setting up stream generation templates, see: Define Stream Generation Template, *Oracle Lease and Finance Management Implementation Guide*.

Set Up Accounting Templates

Each accounting template defines the accounts and accounting entries that are generated for an accounting transaction. The accounting templates use various parameters, some of which are mandatory or significant.

To set up accounting templates, see: Define Lease Accounting Templates, *Oracle Lease and Finance Management Implementation Guide*.

Set Up Vendors

Before you can pay a passthrough to a vendor, you must set up vendors. For information on setting up vendors, see: Add Parties to a Contract, page 31-19.

Vendor Reassignment for Passthrough

The vendor (or vendor site) responsible for delivery of the service on a passthrough is updated if:

- A vendor ceases to operate or is bought out by another vendor
- The vendor reorganized their legal organization structure
- The vendor sells off one or more contracts to another vendor

Lessors can continue with the same passthrough line with all the relevant terms and conditions, by replacing the passthrough vendor party. When performing a vendor reassignment, the reassignment may be for multiple contracts or multiple contract lines. All contracts and lines associated to the original vendor that match the criteria are reassigned to the new vendor. Any disbursement adjustments required to correct the paid amounts to the original and new vendor are handled during the reassignment. Perform the following steps for vendor reassignment:

1. Vendor reassignment requests are created from **Vendor Reassignment** under the **Operations** tab with Lease Super User responsibility.
2. Create a Vendor Reassignment Request. Providing the key values: **From Vendor/Site, To Vendor/Site, Reassign From Date, Operating Unit, Contract Number, Asset Number, Serial Number** (if the request is for a specific contract or asset). Provide a list of passthrough streams for passthrough lines for which the vendor needs a replacement.
3. Submit the request. The vendor reassignment request has to be approved through a workflow before it is processed.

Once approved, the vendor reassignment request replaces the existing vendor or site with the new vendor or site with effect from the **Reassign From Date**. The concurrent program, Process Vendor Reassignment for Passthrough, processes the approved vendor reassignment requests.

Note: Vendor reassignment can be performed for a booked or evergreen contract. You can determine when a vendor reassignment

has occurred by subscribing to the vendor reassignment business event.

Searching for Vendor Reassignment Requests

You can find vendor reassignment requests by performing a list search in the **Vendor Reassignment** tab of the **Operations** page. List search is a search tool that helps retrieve information quickly and easily.

Perform the following steps:

1. Click **Show Filters**.

Note: You can hide filters by clicking **Hide Filters**.

2. Select the objects using the following filters:

- Operating Unit (mandatory field)
- Contract Number
- Asset Number
- Serial Number
- From Vendor
- From Vendor Site
- Request Status
- Request Number

You can also include additional filters by clicking **Add** and selecting a filter.

Note: You can remove the additional filters from the search criteria by clicking the remove filter icon next to each added criteria.

3. Click **Go**.

The search results are displayed.

You can save searches by performing the following steps:

1. After selecting filters, click **Save**.
2. Perform the following actions in the **Create Saved Search** region:

1. Enter a name for the saved search in the **Name** field.
2. Select the **Display in Tile** checkbox to display a tile having this search's details in the **Vendor Reassignment** tab.

Additional Information: Tiles display the count of search records for the defined search filters. This count can be refreshed by clicking the refresh icon present on each tile. Clicking on a tile will show the filters selected for this saved search.

3. Select the **Set as Default** checkbox to make a saved search as the default search.
4. Click **OK**.

Even if a saved search is not saved as a tile, it will be displayed in the drop down beside **Show Filters/Hide Filters**. You can manage saved searches by clicking **Manage Saved Search** in this drop down.

Note: You can disable list search using the **Disable List Search** button in **Table Diagnostics**. After disabling list search, you can find vendor reassignment requests by performing either a simple or advanced search.

A simple search on the **Vendor Reassignment** tab includes the following parameters:

- Operating Unit (mandatory field)
- Contract Number
- Asset Number
- Serial Number
- Serial Number
- From Vendor Site
- Request Status
- Request Number

An advanced search allows you to expand or refine their search criteria.

Functional Prerequisites

Before you can define and use passthroughs in Oracle Lease and Finance Management, you must perform the following functional procedures:

- Create a contract with a service, fee, and/or asset line.

Note: When creating a fee line, you must specify a fee type of Passthrough.

- Specify parties on the contract and their roles.

For information on creating a contract service line, see *Set Up Service Lines*, page 10-94.

For information on creating a fee service line, see *Fees, And Set Up Fee Lines*.

For information on specifying parties on the contract and their roles, see *Identify Parties on a Contract*, page 10-10.

Passthrough Features

With respect to passthroughs, Oracle Lease and Finance Management enables you to do the following:

- Define passthroughs.
- Automatically calculate passthroughs during the life of a contract.
- Create invoices through Payables to pay passthroughs to vendors.
- Retain passthrough processing fees and passthrough the balances received to vendors.
- Enable evergreen passthroughs at the contract or line level.
- Enable passthroughs for evergreen periods in the Lease Center.
- View lessor passthrough information in the Lease Center and vendor passthrough information in Vendor Self-Service.

Using Passthroughs

The following sections describe how passthroughs are used in Oracle Lease and Finance Management:

Defining Passthrough Rules on a Program Agreement

To default passthrough rules from a program agreement to a contract, the passthrough rules must be defined on the contract template used to create the contract.

Level and Term Usage of Passthroughs

You can enable evergreen passthroughs at the following levels:

- contract level
- line level

During the base term, you can define passthroughs on the following elements of a contract at the line level:

- standard service line
- fee type of Passthrough

During the evergreen term, you can define passthroughs on the following elements of a contract at the line level. Rent can also be enabled at the contract level.

- standard service line
- fee type of Passthrough
- rent

Note: Passthroughs on rent only apply during the evergreen period. They are not traditionally allowed on rent during the base term.

Note: Billing, accrual, or disbursement streams are not generated for the evergreen period.

Specifying Passthrough Attributes

You can specify passthrough attributes to indicate when base and evergreen period passthroughs are made. During the base period, you can define passthroughs based on the following:

- invoice billing date
- invoice due date

- receipt recognized when it is applied to the invoice; whether full receipt or partial receipt

During the evergreen period, you can define passthroughs based on the invoice billing date or receipt date, but not on the due date.

The table below describes several significant passthrough attributes that you specify for the base term.

Passthrough Attributes for Base Term

Attributes	Type	Values
Payment Basis	Required	<p>Scheduled – The payment to the vendor is made as defined on a schedule.</p> <p>Processing Date – The payment to the vendor is made on the processing date.</p>
Payment Start Date	Conditionally Required – applicable if payment basis is defined as Scheduled	Date – The date from which the scheduled payments are made to the vendors.
Payment Frequency	Conditionally Required – applicable if payment basis is defined as Scheduled	Monthly, Quarterly, or Annual – The payment date is calculated by applying the payment frequency to the payment start date.
Remittance Days	Conditionally Required – applicable if payment basis is defined as Processing Date	Number of days – The payment date is calculated by adding the remittance days to the date of payment processing.
Disbursement Basis	Required	<p>Fixed Amount – The payment of a fixed amount is made to the vendor.</p> <p>Percentage – The payment of a percentage of the payable funds is made to the vendor.</p>

Advance Passthrough Disbursements

You can make advance disbursements to vendors based on a contractual agreement or

on an exception basis. Advance disbursements are identified and recognized as advances and the available advance balance is reduced with each disburseable payable invoice. Advance passthrough cannot be defined for usage lines and for passthrough lines in Evergreen.

Select the **Advance Payment** basis in the **Vendors** tab of the passthrough line for authoring and disbursement of advance passthrough amount. You must provide the following details for the advance passthrough disbursement contracts:

- Passthrough percent
- Processing fees: This cannot be amount based.
- Frequency of disbursements: Define the number of installments to be advanced from customers to the vendor by specifying the frequency of the passthrough disbursements. A disbursement schedule is generated which can be different from customer payment schedule. The system arrives at the advance passthrough amounts based on this frequency.

Select **Monthly**, **Quarterly**, **Half Yearly**, **Yearly** or **Full Term**.

Note: If disbursement frequency is selected as **Full Term**, you can provide only one disbursement. Disbursement frequency has to be equal or greater than POS frequency.

- Pay start date
- Payout basis: Select **Full Receipt**. Advance passthrough is not applicable for other payout bases like partial receipt, billing or due date.
- Payment basis: Select **Advance**. Scheduled payment basis is not valid.

Note: Multiple vendors cannot be defined.

After authoring an advance passthrough line, you must run the following disbursement programs in a sequential order for disbursements:

- Pay Invoices Creation of Auto-Disbursement
- Pay Invoice Prepare for AP Transfer
- Pay Invoice Prepare for AP Transfer
- Pay Invoice Prepare for AP Transfer

Advance disbursement invoice will have the stream type as **Passthrough Advance**. This can be used to account disbursement as an advance.

Advance disbursement amounts are disbursed when the standard disbursement programs are run as per the disbursement schedule.

Force Passthrough Disbursement

Under certain business scenarios, a Lessor collects money from Lessee for fees and services, and creates a passthrough to Vendor on a disbursement basis of the type Receipt, which can be full or partial. Sometimes, a Lessor creates a passthrough to a vendor even though the cash is not received from the Lessee, and Lessor still creates a passthrough disbursement called a Force Passthrough.

The business process for a Force Passthrough is as follows:

1. You create a Funding Request with a type of Force Passthrough for a booked contract
2. You select a Vendor and Vendor Site from the list of values.
3. The Invoice Type for a Force Passthrough is always Prepayment and no other type can be selected.
4. Select a stream type.
5. Optionally, select a passthrough line and enter a passthrough amount.
6. A Funding Checklist is not applicable for a Force Passthrough.
7. A Force Passthrough funding request can be approved manually or it can be initiated through Workflow.
8. Approval of the funding request creates a prepayment transaction which results in a Payables Prepayment Invoice.
9. When the Passthrough occurs for the contract, the amount is adjusted against the prepayment invoice amount.

The following conditions apply to a Force Passthrough:

- The Force Passthrough amount cannot exceed the total of what has already been billed and not received.

For more information on creating a funding request, see Create Funding Request, Chapter 18 - Disbursements.

Disburse Passthrough for Metered Usage Service

A passthrough on a lease or loan contract represents a service being provided by a third party vendor to an end-user lessee. Lessors and vendors generally provide this relationship to their lessees when their customers wish to have simplified billing

(rental/lease costs and service costs for the same assets on a single invoice) and to see the total cost of the assets leased in a single value. This arrangement may also be used to consolidate the rental and service charges so their customer only sees it as a single charge and does not distinguish between the cost of the rental and the cost of the service. This can give flexibility in pricing and often includes metered usage for service to provide a subscription-based solution.

Author Contracts with Usage Passthrough Disbursements

Usage-based contract lines (for metered usage services) can now be enabled to passthrough disbursements to vendors. By entering passthrough vendors, and the related terms and conditions for a usage contract line, amounts billed and received for a usage contract line can be disbursed to the servicing vendor(s).

The existing passthrough vendor setup has been extended to usage lines. Some of the options are excluded since usage can only be billed once a meter reading is captured, so advanced and schedule amounts are not available as disbursement bases or options.

If passthrough vendors are enabled for a usage line, the new passthrough vendor attributes can be entered, updated and viewed similarly as with existing passthrough attributes and any required streams, accounting and disbursements are processed similarly to existing passthrough for fee and service contract lines, including the ability to retain a percentage or fee on the billing amount.

Specify a Service or Usage Schedule

Lessors need the ability to define a schedule of service (usage) periods for any fee, service or metered usage service line that is enabled for passthrough. The purpose of the schedule is to define the value being delivered by the service vendor. Therefore, all billings and disbursements, including adjustments must be recorded against each period in the schedule so each party is aware of when and on what invoice the period was billed and when and what invoice it was paid for to the service vendor.

Service contract lines, both standard-priced and those priced based upon metered usage, are defined with a service schedule. In the case of metered usage, the usage schedule also defines the basis on which the usage quantity is counted for pricing by a unit rate.

These details are captured and stored during contract booking in order for use in tracking and reconciling billing and disbursement transactions.

Disburse Passthrough Payments for Metered Usage Service Contract Lines

Similarly to other service and fee contract lines that can be enabled for vendor passthrough disbursements, usage contract lines can also be enabled. If enabled for a usage line, the billing amount is calculated based upon the usage captured for a service period by meter readings and the applicable price list. The amount is billed on a standard invoice.

You can define a fixed amount, percentage amount, or both for disbursement basis and

processing fee basis. You can also define a hybrid of fees as well as create your own validations and rules on the application of these. Based upon the passthrough disbursement basis and payout basis, the disbursement amount, less any retention amount or processing fees, is calculated and a disbursement transaction is generated and passed to Oracle Payables to generate a payable invoice to the correct vendor.

Passthrough disbursement rules for one or more vendors can also be specified for the evergreen period. Amounts billed for usage during evergreen are then eligible to be paid to the passthrough vendor based upon the rules setup for the evergreen term.

Processing Fees

Passthrough fees and services create an obligation on the lessor to disburse passthrough proceeds to the service provider who provides the services to the lessee. In such arrangements, the lessor acts as the billing agent for the service vendor. The lessor may charge the service vendor a processing fee for acting as the billing agent to bill and collect on their behalf. The accounting method used here is income accrual. However, lessors may choose to use cash basis accounting and not recognize processing fee revenue until the cash is applied to the lessee billing. The processing fee accrual streams are generated during the disbursement process for passthrough lines. This ensures that the processing fee accruals are generated only upon receipt of receivables invoices for the services.

Generate Passthrough Transaction Details Report for Vendor Reporting and Revenue Recognition

Passthrough reconciliation can be, time-consuming and difficult to get right when passthrough related transactions are not tracked in a consistent way so that vendors can easily understand what contracts, assets and dates a payment is for. When acting as the billing agent, lessors need a common measuring period to identify if services were rendered, billed and collected and paid through a disbursement to their vendors. When such alignment is setup from the initial contract booking, vendor reporting is simpler and can be automated.

Use the Passthrough Transaction Detail Report to view and report historical information on the billing, collection and disbursement of passthrough amounts to a vendor. The report provides a reconciled list of receivable and payable transactions as well as prospective information about what amounts are to be billed, collected and paid in the future.

Generating Accrual Streams During Contract Booking

When the contract is booked, accrual streams are generated for passthrough processing fees.

Calculating Passthroughs

Passthrough calculations are typically performed through an offline batch process. The following input parameters are usually entered before passthrough calculations

commence:

- Contract Number (optional)
- Vendor Program (optional)
- Financial Product (optional)
- From Date (optional)
- To Date (current date) - may be overridden by a date that is before the current date

You can specify the automatic calculation of passthroughs based on the following amounts:

- amount billed lessor
- amount of payment received from lessor
- the amount due on the due date

During the base period, you can calculate passthroughs based on a percentage of service and/or fees. During the evergreen period, you can calculate passthroughs based on a percentage of service, fees, and/or rent.

Rebooking Contracts

When you rebook a contract, the rebook transaction automatically adjusts the passthrough amount and enters the terms and conditions in the new contract. If a contract is rebooked, the following passthrough payment adjustments are created:

- Passthrough Payout Basis is Due Date
- Passthrough Payout Basis is Billing
- Passthrough Payout Basis is Receipt

On rebook, when the vendor disbursement basis is amount, no passthrough adjustment is created for the vendor. However, if the vendor disbursement basis is percentage, then a proportional passthrough adjustment is created.

Passthrough Payout Basis is Due Date

The rebook process regenerates the billing streams with new payments and creates a billing adjustment transaction for the adjustment amount. The rebook process confirms that the passthrough payments have been made until the billing date and calculates the passthrough adjustment amount. Passthrough processing identifies the billing adjustment transaction and creates the passthrough payment for the adjustment.

Passthrough Payout Basis is Billing

The rebook process calculates the passthrough adjustment amount. Additionally, passthrough processing processes the passthrough payment based on the billing or credit memo resulting from the rebook.

Passthrough Payout Basis is Receipt

The rebook process calculates the passthrough adjustment amount. Additionally, passthrough processing processes the passthrough payment based on the credit memo resulting from the rebook.

Querying Passthroughs

As a lessor, you can query passthrough receipts and payment details in the Lease Center. Customers and vendors can view receipts and disbursement details in customer self-service and vendor self-service, respectively.

Viewing Passthrough Details

Lessors can view the following passthrough transactions in the Lease Center:

- passthrough details in Vendors Disbursements window
- fees that are passed through in Lease Center Fees window
- passthrough fee attributes and associated assets in Passthrough window
- list of vendors assigned to the contract for passthroughs and the defined passthrough attributes during the base period for a specific vendor in Vendor Details Base Term window
- list of vendors assigned to the contract for passthroughs and the defined passthrough attributes during the evergreen period for a specific vendor; Vendor Details Evergreen Term window
- evergreen attributes for passthroughs during the evergreen period; Assets Evergreen window
- passthrough attributes to be applied during the evergreen period; Additional Vendor Details window

Vendors can view the following passthrough transactions through Vendor Self-Service in the Service Payment Details window and the Fee Payment Details window:

- payout basis on which the passthrough is based
- service line details or fee line details

- passthrough receipt details
- evergreen payout details
- payments from the lessee to the lessor

Passthrough Transaction Activity Report

Passthrough Transaction Activity report displays passthrough activity details and summary for identified periods and passthrough lines, and is enhanced for Advance passthrough lines and Metered Usage Service. It displays passthrough data pertaining to contracts with disbursement in advance as well as contracts which have metered usage service.

Terminating Contracts

You can process passthroughs on a termination quote during the base period. Additionally, you can process passthroughs on terminated contracts during the evergreen period.

Termination of Passthrough Contract Lines

Passthrough Fees and Services create an obligation on the lessor to disburse passthrough proceeds to the service provider who provides the services to the lessee. During termination of a contract, lessors can calculate and process the termination amounts that should be disbursed to the vendor or collected back from the vendor.

- For passthrough lines with **Payout Basis** of **Billing** or **Due Date**, the Auto Disbursement program calculates and processes the portion of termination amounts to be disbursed to the vendor after the termination invoices for passthrough fee lines or service lines are generated.
- For passthrough lines with **Payout Basis** of **Full Receipt** or **Partial Receipt** and **Payment Basis** is other than **Advance**, the Auto Disbursement program calculates and processes the portion of termination amounts to be disbursed to the vendor after the termination invoices for passthrough fee lines or service lines are paid. Invoices closed by application of rollover credit memos are treated as paid.
- For terminated passthrough lines with **Payment Basis** of **Advance** and **Payout Basis** of **Full Receipt**, the Auto Disbursement program calculates the passthrough eligible amount after all standard contract and termination invoices have been closed even though cash basis (re-classed) invoices may still be open.
- Passthrough lines that are not associated to any asset must be terminated on full termination of the contract.

Passthrough Disbursement Retrieval (Clawback) During Receipt Reversal

When the receipt which is the basis for passthrough disbursement is reversed or unapplied, the system automatically reverses or retrieves the funds disbursed to the passthrough vendor. For this receipt reversal, the following conditions apply:

- The passthrough line payout basis must be **Full Receipt** and the payment basis should not be **Advance**.
- Passthrough payout basis cannot be Partial receipt.
- The process also applies to partial reversal or unapplication.
- The receipt can be reversed from Oracle Lease or Oracle Receivables.
- The concurrent program, **Create Disbursement Adjustment for Receipt Reversal**, identifies these receipt reversals and creates Payables debit or credit memos for retrieval of funds.
- Passthrough disbursement retrieval is for the full amount passed through to the vendor, after netting off processing fees from Receivables invoice amount. Processing fees are not reversed.

Variable Rate Contracts

This chapter covers the following topics:

- Overview
- Variable Rate Leases
- Variable Rate Loans
- Contract Authoring and Variable Rate
- Variable Rate Billing
- Rebook and Variable Rate

Overview

Oracle Lease and Finance Management features both fixed and variable rate contracts. When authoring a fixed rate lease or loan contract, the implicit interest rate is calculated based on the payments you define on the contract. Based on those payments, Oracle Lease and Finance Management calculates the implicit interest rate. On a fixed rate loan, you have the option to specify an interest rate for the contract, which is used to calculate the interest payments. You can define either a total loan payment, including combined principal and interest, or a principal payment and interest rate. When you choose to define a principal payment and interest rate, the interest rate defined is used to calculate the interest payment amounts. For variable rate contracts, you can associate an interest index to the contract, which is used to recalculate periodic payments or to recalculate the interest payments.

Based on the interest index associated to a contract, the applicable interest rate can change during the term of a contract, making it a variable rate contract. Oracle Lease and Finance Management calculates the applicable interest rate and processes variable rate for a variety of contract types and interest scenarios. Oracle Lease and Finance Management calculates variable interest based on the contract types defined. Contract types are determined by Book Classification, Tax Owner, Interest Calculation Basis, and Revenue Recognition Method. Oracle Lease and Finance Management calculates variable interest for the following book classifications:

- Leases
- Loans

Conditions

Oracle Lease and Finance Management processes variable rate with the following conditions:

- External stream generation must be set up.
- Variable rate contracts cannot be initiated through lease applications or sales quotes.
- Pools for sale to investors cannot include variable rate contracts or fixed rate loans.
- Interest rate changes to contracts do not apply during the evergreen term.
- Lease renewals are not permitted for loans.
- Asset release is not permitted for loans.
- Contract release is not permitted for loans.
- Conversion to evergreen status is not permitted for loans.
- Restructure quotes are not permitted for loans.
- Transfer and assumptions are not permitted for loans.
- Partial terminations for loans are not permitted when the revenue recognition method is Estimated and Billed or Actual.
- Loan Paydown and Principal Paydown shall be permitted for the contract. Loan paydown and principal paydown payments are not specific to assets on the contract.
- For Loans, when the interest calculation basis is Float and the revenue recognition method is Actual, the interest and principal may be billed on separate dates. In this case, two loan payment amounts shall be billed for the same billing period.

Variable Rate Leases

Overview

For a fixed rate lease, the implicit interest rate is based on the payments defined on the

contract, and does not change during the life of the contract. For a variable rate lease contract, the payments are revised based on a interest index associated to the contract. Oracle Lease and Finance Management features variable rate for Operating Leases, Direct Finance Leases, and Sales Type Leases.

The revenue recognition method for leases is Streams.

The interest calculation basis for variable rate leases are:

- Reamortization
- Float Factors

Fixed Rate

For fixed rate lease contracts, the payments do not change over the life of a contract as the interest rate is constant.

Reamortization

For a variable rate reamort lease, periodic payments are defined during booking. Reamortization is the automated process that solves for a new periodic payment amount based on the applicable interest rate for the contract and the remaining balance that will pay down the balance amount over the remaining term to zero, assuming no future change in interest rates.

Float Factors

Float Factor lease contracts include additional billing based on the applicable interest rate of the contract in addition to the periodic rent. The additional amount is billed using the float factor adjustment stream on the rent due date.

Variable Rate Lease Parameters

Before entering interest rate details for a lease contract, verify that the interest rate parameters are valid and supported. The following table describes what interest rate parameters are supported in Oracle Lease and Finance Management for the following types of leases:

- Operating Lease
- Direct Finance Lease
- Sales Type Lease

Additional Information: For Conversion Basis fields, you can enter a value, but automatic processing of the conversions is not supported in Oracle Lease and Finance Management.

Lease Interest Rate Parameters

Parameters	Lease Type	Lease Type	Lease Type
Interest Calculation Basis	Fixed	Reamort	Float Factor
Revenue Recognition Method	Streams	Streams	Streams
Payment Type	Rent	Rent	Rent
Interest Index	N/A	Mandatory	Optional
Base Rate	N/A	Optional	Optional
Interest Start Date	N/A	Mandatory	Mandatory
Adder Rate	N/A	Mandatory	Optional
Maximum Rate	N/A	Mandatory	Optional
Minimum Rate	N/A	Mandatory	Optional
Principal Basis	N/A	Scheduled	Scheduled
Days in a Month	N/A	30	Optional
Days in a Year	N/A	360	Optional
Interest Basis	N/A	Simple	N/A
Rate Delay	N/A	Optional	Optional
Rate Delay Frequency	N/A	Optional	Optional
Compounding Frequency	N/A	N/A	Optional
Formula Name	N/A	N/A	Mandatory
Rate Change Start Date	N/A	Optional	Optional

Parameters	Lease Type	Lease Type	Lease Type
Rate Change Frequency	N/A	Optional	Optional
Rate Change Value	N/A	Optional	Optional
Conversion Options	Optional	Optional	Optional
Next Conversion Date	Optional	Optional	Optional
Conversion Type	Optional	Optional	Optional

Variable Rate Lease Examples

The following section explains the most common variable rate lease scenarios.

Reamortize Contract on Rate Change

Overview

In this scenario the rent payment is defined on the contract at the time of booking. On the billing schedule, if there is a change in the applicable interest rate, the new rate is used to calculate the future payments and rebook the contract. The rent is billed on the Rent schedule.

The Create Receivables Variable Rate Invoices program should be run for each billing period to reamortize the contract. The program will recalculate the future payments and rebook the contract with the revised payments.

The following table describes contract conditions for reamortizing a lease contract on an interest rate change.

Reamortize Contract on Rate Change

Contract Conditions	Description
Applicability	Applies to Operating Leases, Direct Finance Leases, and Sales Type Leases.
Rate Change	Interest rate can change only on the scheduled billing date.

Contract Conditions	Description
Process	Recalculate payments based on new interest rate for the balance term. Rebook contract with revised payments and regenerate amortization schedule.
Billing	Billing is done from schedule.
Cash	Cash is applied to invoices.
Revenue	Revenue is recognized based on income streams generated.
Interest Calculation Basis	Reamort
Revenue Recognition Method	Streams

Setup

Setup steps must be completed before variable rate contracts can be processed. The following table describes setup requirements for a reamortization lease contract on a rate change.

Setup Steps for Reamort Lease on Rate Change

Setup Step	Location/Link	Description
Stream Purpose	Stream Types	Use streams applicable by book class for fixed rate contracts.
Pricing Method	Stream Generation Template	External only
Book Classification	Stream Generation Template	Lease
Tax Owner	Stream Generation Template	As applicable
Interest Calculation Basis	Stream Generation Template	Reamort

Setup Step	Location/Link	Description
Revenue Recognition Method	Stream Generation Template	Streams
Primary	Stream Generation Template	Use streams applicable by book class for fixed rate contracts.
Dependent	Stream Generation Template	Use streams applicable by book class for fixed rate contracts.
Validations	Stream Generation Template	Stream generation source must be External.
Accounting Templates	Accounting Template Set	Use streams applicable by book class for fixed rate contracts.
Quality Values	Financial Product	Book Classification and Tax Owner are as applicable. Interest Calculation Method is Reamort. Revenue Recognition Basis is Streams.
Accrual Streams	Financial Product	Use streams applicable by book class for fixed rate contracts.
Validations	Financial Product	Quality values must match the stream generation template.

Contract Details

When authoring your contract, only a level Payment Schedule is permitted for reamort leases.

Procedures

When processing a reamortization on rate change for a variable rate lease, complete the procedures in the following table.

Procedure	Description
1. Create Contract	See Create Interest Rate Details.

Procedure	Description
2. Associate Financial Product with correct Quality Values	See Define Streams and Pricing.
3. Activate the Contract	See Contract Authoring.
4. Run the Variable Rate Billing process	See Variable Rate Billing.
5. Run the Generate Accruals process	See Processes.

Contract Transactions

The following table shows what contract transactions are allowed for a variable rate reamort lease on a rate change

Transaction	Conditions
Rebook	Current dated and prospective changes are permitted to interest rate parameters. Current dated and prospective changes are permitted to additional interest rate parameters.
Principal Paydown	Not applicable for leases.
Loan Paydown	Not applicable for leases.
Termination	Early and Partial terminations are allowed.
Lease Center	Non-financial updates can be made.

Float Factor Contracts

Overview

In this scenario, a periodic rent payment is defined during booking, which does not change during the term of the contract. Additionally, a float factor formula is associated to the contract. On the rent schedule, the float factor formula is computed based on the applicable interest rate of the contract and the amount derived is billed using a float factor stream.

The Create Receivables Variable Rate Invoices program should be run for each rental

period to calculate the additional float factor adjustment amount. The program will solve the formula associated to the contract and create a Float Factor Adjustment stream for the derived amount. The Float Factor Adjustment stream will be billed using the standard billing programs for Oracle Lease and Finance Management.

Float Factor Contracts with Rate Change

Contract Conditions	Description
Applicability	Applies to Operating Leases, Direct Finance Leases, and Sales Type Leases.
Rate Change	Interest rate can change as defined by the user.
Process	Interest adjustments calculated for interest rate changes by solving a formula to be defined by user.
Billing	Billing done on rent schedule. Adjustments are calculated by solving formula.
Cash	Cash is applied to invoices.
Revenue	Revenue is recognized based on income streams generated. Float Factor Adjustment amount is recognized as income.
Interest Calculation Basis	Float Factor
Revenue Recognition Method	Streams

Setup

Setup steps must be completed before variable rate contracts can be processed. The following table describes setup requirements for a Float Factor lease contract on a rate change.

Setup Steps for Float Factor Contracts with Rate Change

Setup Step	Location/Link	Description
Stream Purpose	Stream Types	Use streams applicable by book class for fixed rate contracts. Use Float Factor Adjustment for billing interest adjustment amounts.
Pricing Method	Stream Generation Template	External only
Book Classification	Stream Generation Template	Operating Lease, Direct Finance Lease, or Sales Type Lease.
Tax Owner	Stream Generation Template	As applicable.
Interest Calculation Basis	Stream Generation Template	Float Factors.
Revenue Recognition Method	Stream Generation Template	Streams.
Primary	Stream Generation Template	Use streams applicable by book class for fixed rate contracts.
Dependent	Stream Generation Template	Use streams applicable by book class for fixed rate contracts. Use Float Factor Adjustment as a dependent of Rent.
Validations	Stream Generation Template	Stream generation source must be External.
Accounting Template	Accounting Template Set	Use streams applicable by book class for fixed rate contracts. Setup accounting templates for Float Factor Adjustment stream for both billing and accrual transaction types.

Setup Step	Location/Link	Description
Quality Values	Financial Product	Book Classification and Tax Owner are as applicable. Interest Calculation Method is Float Factor. Revenue Recognition Basis is Streams.
Accrual Streams	Financial Product	Use streams applicable by book class for fixed rate contracts. Float Factor Adjustment stream to be setup on financial product for accrual.
Validations	Financial Product	Quality values must match the stream generation template.

Contract Details

Procedures

When processing a rate change for a float factor lease, complete the procedures in the following table.

Procedure	Description
1. Create Contract	See Contract Authoring.
2. Associate Financial Product with correct Quality Values	See Financial Product.
3. Define Applicable Interest Rate Parameters	See Create Interest Rate Details.
4. Activate the Contract	See Contract Authoring.
5. Run the Variable Rate Billing process	Run Create Receivables Variable Rate Invoices. The float factor adjustment amount is calculated and stored as a stream for billing. See Billing.
6. Run the Bill Processing Program Set	See Billing.

Procedure	Description
7. Run the Generate Accruals process	Generate Accruals - Streams. Streams defined for accrual are accounted as revenue. Float Factor Adjustment stream amount is accounted as revenue.
6. Terminate Expired Contracts	Variable rate processing must be completed prior to the termination of a contract.

Contract Transactions

The following table shows what contract transactions are allowed for a Float Factor lease on a rate change.

Transaction	Conditions
Rebook	Current dated and prospective changes are permitted to interest rate parameters.
Principal Paydown	Not applicable for leases.
Loan Paydown	Not applicable for leases.
Termination	Early and Partial terminations are allowed.
Lease Center	No financial updates are permitted.

Variable Rate Loans

Overview

Oracle Lease and Finance Management supports fixed rate and variable rate loan contracts. For a fixed rate loan, the implicit interest rate does not change during the life of the contract. For a variable rate contract, the payments may be revised based on an interest index associated to the contract. Contracts with a revenue recognition method of Actual are also referred to as Per Diem Loans.

The processing of variable rate contracts will differ based on the interest calculation basis and the revenue recognition method defined. Interest calculation basis determines whether the actual or scheduled principal balance should be used to calculate interest for a variable rate contract. The revenue recognition method determines whether the

actual or scheduled principal balance should be used to account for income.

The following table shows interest calculation basis and revenue recognition method combinations for variable rate loan contracts.

Variable Rate Loan Type Combinations

Interest Calculation Basis	Revenue Recognition Method
Fixed	Actual
Float	Estimated and Billed Actual
Reamort	Streams Actual
Catchup/Cleanup	Streams

Oracle Lease and Finance Management calculates variable rate loans based on the following types.

Variable Rate Loan Types

The following section describes common Oracle Lease and Finance Management variable rate loan types.

Fixed Loan Where Revenue Recognition is Actual

For a fixed rate loan, the periodic payment amounts to be billed do not change over the life of a contract, as the interest rate is constant. If the revenue recognition method is Actual, the loan is processed as a variable rate contract. The interest amount recognized as income is based on the applicable interest rate and payment received for the contract. The interest amount to be accrued is calculated based on the actual principal balance of the loan. The payment is first applied towards interest and the remaining payment amount is applied to the principal balance of the contract.

Floating Rate Loan Where Revenue Recognition is Estimated and Billed

For a floating rate loan, the principal payment amounts are determined during booking and do not change over the life of the contract. The interest amounts are calculated and billed periodically based on the applicable interest rate of the contract. The interest rate on the loan may change during the lifetime of the contract, at a frequency different to the billing frequency. Principal and Interest are billed on the Principal schedule and the Interest schedule respectively. The actual interest amount is recognized as income. If the actual interest has not been calculated for a period, an estimated interest amount is

accrued, which is reversed in the following period.

Floating Rate Loan Where Revenue Recognition is Actual

For a floating rate loan where the revenue recognition method is Actual, the principal payment amounts are determined during booking. The interest amounts are calculated periodically based on the applicable interest rate of the contract. The interest rate on the loan may change during the lifetime of the contract, at a frequency different to the billing frequency. The sum of the principal payment and the calculated interest amount for a given period is billed as Variable Loan Payment.

The interest amount recognized as income is based on the applicable interest rate and payment received for the contract. The interest amount to be accrued is calculated based on the actual principal balance of the loan. The payment is first applied towards interest and the remaining payment amount is applied to the principal balance of the contract.

Reamort Where Revenue Recognition is Streams

For a reamort loan, periodic payments are defined during booking. The Principal and Interest payment streams are generated during booking. On the billing schedule, if there is a change in the applicable interest rate then the new rate is used to calculate the future payments and rebook the contract. Principal and Interest is billed on the payment schedule. Interest income is accrued at the end of each month.

Reamort Loan Where Revenue Recognition is Actual

For a reamort loan where the revenue recognition method is Actual, periodic payments are defined during booking. On the billing schedule, if there is a change in the applicable interest rate then the new rate is used to calculate the future payments and rebook the contract. Loan payment is billed on the payment schedule.

The interest amount recognized as income is based on the applicable interest rate and payment received for the contract. The interest amount to be accrued is calculated based on the actual principal balance of the loan. The payment is first applied towards interest and the remaining payment amount is applied to the principal balance of the contract.

Catchup/Cleanup

For a Catchup/Cleanup loan, periodic payments are defined during booking. Principal payment, Interest payment and Income accrual streams are generated at the time of booking the contract. Principal and Interest are billed on the Principal schedule and the Interest schedule respectively. The actual principal balance is used as the basis of catchup calculation. The actual interest is calculated during catchup processing at the catchup frequency. If the actual interest amount exceeds the estimated interest, the difference is billed. If the estimated interest amount exceeds the actual interest calculated, then the amount can either be refunded, adjusted against principal or stored against the contract.

The Income accrual stream is used to recognize income based on the estimated interest at the end of each month. The additional interest amount billed is also recognized as income, on the catchup frequency.

Variable Rate Loan Parameters

Before entering interest rate details for a loan contract, verify that the interest rate parameters are valid and supported. The following tables describe what interest rate parameters are supported in Oracle Lease and Finance Management for the following types of loans:

- Fixed Loans
- Floating Loans
- Reamortization Loans
- Catchup/Cleanup Loans
- Revolving Loans
 - The **Interest Payment Terms** field in the contract's **Billing Setup** page of **Terms and Conditions** is applicable only for revolving loans interest invoices. It displays a drop down list where the payment terms defined for the organizational unit in Oracle Receivables are listed. The default value is **Immediate**. The selected payment term is sent to Oracle Receivables to derive a due date for the interest payment invoice.
 - You can define fees with Fee Type **Income** for revolving loans by associating a payment schedule for the fee. This payment schedule is used to generate the fee payment billable stream. You can update the income fee in a rebook which will generate billing adjustments based on standard rebook adjustments logic.

Additional Information: For Conversion Basis fields, you can enter a value, but automatic processing of the conversions is not supported in Oracle Lease and Finance Management.

Fixed Loan Interest Rate Parameters

Parameters	LoanType	LoanType	LoanType	LoanType
Interest Calculation Basis	Fixed	Fixed	Fixed	Fixed

Parameters	LoanType	LoanType	LoanType	LoanType
Revenue Recognition Method	Streams	Streams	Actual	Actual
Payment Type	Rent	Principal	Rent	Principal
Interest Index	N/A	N/A	Mandatory	Mandatory
Base Rate	N/A	Mandatory	Optional	Mandatory
Interest Start Date	N/A	N/A	Mandatory	Mandatory
Adder Rate	N/A	N/A	Mandatory	Mandatory
Maximum Rate	N/A	N/A	Mandatory	Mandatory
Minimum Rate	N/A	N/A	Mandatory	Mandatory
Principal Basis	N/A	N/A	Actual	Actual
Days in a Month	Optional	Optional	Mandatory	Mandatory
Days in a Year	Optional	Optional	Mandatory	Mandatory
Interest Basis	N/A	N/A	Mandatory	Mandatory
Rate Delay	N/A	N/A	Optional	Optional
Rate Delay Frequency	N/A	N/A	Optional	Optional
Compounding Frequency	N/A	N/A	Optional	Optional
Formula Name	N/A	N/A	Optional	Optional
Rate Change Start Date	N/A	N/A	Optional	Optional

Parameters	LoanType	LoanType	LoanType	LoanType
Rate Change Frequency	N/A	N/A	Optional	Optional
Rate Change Value	N/A	N/A	Optional	Optional
Conversion Options	Optional	Optional	Optional	Optional
Next Conversion Date	Optional	Optional	Optional	Optional
Conversion Type	Optional	Optional	Optional	Optional

Floating Loan Interest Rate Parameters

Parameters	LoanType	LoanType	LoanType	LoanType
Interest Calculation Basis	Float	Float	Float	Float
Revenue Recognition Method	Estimated/Billed	Estimated/Billed	Actual	Actual
Payment Type	Rent	Principal	Rent	Principal
Interest Index	Mandatory	Mandatory	Mandatory	Mandatory
Base Rate	Optional	Mandatory	Optional	Mandatory
Interest Start Date	Mandatory	Mandatory	Mandatory	Mandatory
Adder Rate	Mandatory	Mandatory	Mandatory	Mandatory
Maximum Rate	Mandatory	Mandatory	Mandatory	Mandatory
Minimum Rate	Mandatory	Mandatory	Mandatory	Mandatory

Parameters	LoanType	LoanType	LoanType	LoanType
Principal Basis	Actual/Scheduled	Actual/Scheduled	Actual	Actual
Days in a Month	Mandatory	Mandatory	Mandatory	Mandatory
Days in a Year	Mandatory	Mandatory	Mandatory	Mandatory
Interest Basis	Mandatory	Mandatory	Mandatory	Mandatory
Rate Delay	Optional	Optional	Optional	Optional
Rate Delay Frequency	Optional	Optional	Optional	Optional
Compounding Frequency	Optional	Optional	Optional	Optional
Formula Name	Optional	Optional	Optional	Optional
Rate Change Start Date	Optional	Optional	Optional	Optional
Rate Change Frequency	Optional	Optional	Optional	Optional
Rate Change Value	Optional	Optional	Optional	Optional
Conversion Options	Optional	Optional	Optional	Optional
Next Conversion Date	Optional	Optional	Optional	Optional
Conversion Type	Optional	Optional	Optional	Optional

Reamortization Loan Interest Rate Parameters

Parameters	LoanType	LoanType	LoanType	LoanType
Interest Calculation Basis	Reamort	Reamort	Reamort	Reamort
Revenue Recognition Method	Streams	Streams	Actual	Actual
Payment Type	Rent	Principal	Rent	Principal
Interest Index	Mandatory	Mandatory	Mandatory	Mandatory
Base Rate	Optional	Mandatory	Optional	Mandatory
Interest Start Date	Mandatory	Mandatory	Mandatory	Mandatory
Adder Rate	Mandatory	Mandatory	Mandatory	Mandatory
Maximum Rate	Mandatory	Mandatory	Mandatory	Mandatory
Minimum Rate	Mandatory	Mandatory	Mandatory	Mandatory
Principal Basis	Scheduled	Scheduled	Scheduled	Scheduled
Days in a Month	30	30	Mandatory	Mandatory
Days in a Year	360	360	Mandatory	Mandatory
Interest Basis	Simple	Simple	Simple	Simple
Rate Delay	Optional	Optional	Optional	Optional
Rate Delay Frequency	Optional	Optional	Optional	Optional
Rate Change Start Date	Optional	Optional	Optional	Optional

Parameters	LoanType	LoanType	LoanType	LoanType
Rate Change Frequency	Optional	Optional	Optional	Optional
Rate Change Value	Optional	Optional	Optional	Optional
Conversion Options	Optional	Optional	Optional	Optional
Next Conversion Date	Optional	Optional	Optional	Optional
Conversion Type	Optional	Optional	Optional	Optional

Catchup/Cleanup Loan Interest Rate Parameters

Parameters	LoanType	LoanType
Interest Calculation Basis	Catchup/Cleanup	Catchup/Cleanup
Revenue Recognition Method	Streams	Streams
Payment Type	Rent	Principal
Interest Index	Mandatory	Mandatory
Base Rate	Optional	Mandatory
Interest Start Date	Mandatory	Mandatory
Adder Rate	Mandatory	Mandatory
Maximum Rate	Mandatory	Mandatory
Minimum Rate	Mandatory	Mandatory
Principal Basis	Actual	Actual
Days in a Month	Mandatory	Mandatory

Parameters	LoanType	LoanType
Days in a Year	Mandatory	Mandatory
Interest Basis	Mandatory	Mandatory
Rate Delay	Optional	Optional
Rate Delay Frequency	Optional	Optional
Compounding Frequency	N/A	N/A
Formula Name	N/A	N/A
Catch-up Basis	Actual	Actual
Catch-up Start Date	Mandatory	Mandatory
Catch-up Frequency	Mandatory	Mandatory
Catch-up Settlement	Mandatory	Mandatory
Rate Change Start Date	Optional	Optional
Rate Change Frequency	Optional	Optional
Rate Change Value	Optional	Optional
Conversion Options	Optional	Optional
Next Conversion Date	Optional	Optional
Conversion Type	Optional	Optional

Revolving Loan Interest Rate Parameters

Parameters	LoanType	LoanType
Interest Calculation Basis	Float	Float

Parameters	LoanType	LoanType
Revenue Recognition Method	Estimated/Billed	Actual
Payment Type	None	None
Interest Index	Mandatory	Mandatory
Base Rate	Mandatory	Mandatory
Interest Start Date	Mandatory	Mandatory
Adder Rate	Mandatory	Mandatory
Maximum Rate	Mandatory	Mandatory
Minimum Rate	Mandatory	Mandatory
Principal Basis	Actual	Actual
Days in a Month	Mandatory	Mandatory
Days in a Year	Mandatory	Mandatory
Interest Basis	Mandatory	Mandatory
Rate Delay	Optional	Optional
Rate Delay Frequency	Optional	Optional
Compounding Frequency	Optional	Optional
Formula Name	Optional	Optional
Rate Change Start Date	Optional	Optional
Rate Change Frequency	Optional	Optional
Rate Change Value	Optional	Optional
Conversion Options	Optional	Optional

Parameters	LoanType	LoanType
Next Conversion Date	Optional	Optional
Conversion Type	Optional	Optional

Variable Rate Loan Examples

Fixed Amount Billed Periodically with Principal Reduction on Receipt of Cash

Periodic payments are defined on the contract. Loan payment schedule is generated at the time of booking the contract. The actual interest is calculated on Receipt of cash based on the actual principal balance. The receipt is applied first towards the interest amount and then to the principal. Actual interest is accrued as and when the accrual program is run. The actual interest is recalculated up to the accrual date and the difference between the actual interest accounted till date and actual interest calculated is accrued.

Overview

The following table describes contract conditions for a Fixed Amount Billed Periodically with Principal Reduction on Receipt of Cash loan.

Fixed Amount Billed Periodically with Principal Reduction on Receipt of Cash

Contract Conditions	Description
Applicability	Loans.
Rate Change	Interest rate shall change based on the index and contract setup.
Process	Interest is calculated on cash receipt. Cash receipt is applied to interest first, balance is applied to principal.
Billing	Billing is done on original schedule.
Cash	Interest is calculated on cash receipt. Cash receipt is applied to interest first, balance is applied to principal.

Contract Conditions	Description
Revenue	Calculated on actual principal balance with applicable rate.
Interest Calculation Basis	Fixed.
Revenue Recognition Method	Actual.

Setup

Setup steps must be completed before variable rate contracts can be processed. The following table describes setup requirements for a variable rate loan where a fixed amount billed periodically with principal reduction on receipt of cash loan.

Setup Steps for Fixed Amount Billed Periodically with Principal Reduction on Receipt of Cash

Setup Step	Location/Link	Description
Stream Purpose	Stream Types	<p>Use streams applicable by book class for fixed rate contracts.</p> <p>Actual Income Accrual - to accrue actual income.</p> <p>Variable Loan Payment - for billing calculated principal and interest amount.</p> <p>Daily Interest - Interest - for actual interest amounts.</p> <p>Daily Interest - Principal - for actual principal amounts.</p> <p>Excess Interest Paid - for excess interest recovered.</p> <p>Excess Loan Payment Paid - for excess loan payment recovered.</p> <p>Excess Principal Paid - for excess principal recovered.</p> <p>Unscheduled Loan Payment - for loan paydown.</p> <p>Unscheduled Principal Payment - for principal paydown.</p>
Pricing Method	Stream Generation Template	External only.
Book Classification	Stream Generation Template	Loans.
Tax Owner	Stream Generation Template	As applicable.
Interest Calculation Basis	Stream Generation Template	Fixed.
Revenue Recognition Method	Stream Generation Template	Actual.

Setup Step	Location/Link	Description
Primary	Stream Generation Template	Use streams applicable by book class for fixed rate contracts.
Dependent	Stream Generation Template	<p>Use streams applicable by book class for fixed rate contracts.</p> <p>Actual Income Accrual as a dependent of Rent.</p> <p>Daily Interest - Interest as a dependent of Rent.</p> <p>Daily Interest - Principal as a dependent of Rent.</p> <p>Excess Interest Paid as a dependent of Rent .</p> <p>Excess Loan Payment Paid as a dependent of Rent.</p> <p>Excess Principal Paid as a dependent of Rent.</p> <p>Unscheduled Loan Payment as a dependent of Rent.</p> <p>Unscheduled Principal Payment as a dependent of Rent.</p> <p>Variable Loan Payment as a dependent of Rent.</p>
Validations	Stream Generation Template	Stream generation source must be External.

Setup Step	Location/Link	Description
Accounting Templates	Accounting Template Set	<p>Use streams applicable by book class for fixed rate contracts.</p> <p>Actual Income Accrual for transaction type Accrual.</p> <p>Daily Interest - Interest for transaction type Receipt Application.</p> <p>Daily Interest - Principal for transaction type Receipt Application.</p> <p>Variable Loan Payment for transaction type Billing.</p> <p>Unscheduled Loan Payment for transaction type Billing.</p> <p>Unscheduled Principal Payment for transaction type Billing.</p>
Quality Values	Financial Product	Book Classification is Loan. Tax Owner is Lessee. Interest Calculation Basis Fixed. Revenue Recognition Method is Actual.
Accrual Streams	Financial Product	<p>Use streams applicable by book class for fixed rate contracts.</p> <p>Actual Income Accrual Stream.</p>
Validations	Financial Product	Quality values must match the stream generation template.

Contract Details

Procedures

In order to process a variable rate loan for a Fixed Amount Billed Periodically with Principal Reduction on Receipt of Cash , complete the procedures in the following table.

Procedure	Description
1. Create Contract	See Contract Authoring.

Procedure	Description
2. Associate Financial Product with correct Quality Values	See Define Financial Product.
3. Define Applicable Interest Rate Parameters	See Create Interest Rate Details.
4. Activate the Contract	See Contract Authoring.
5. Run Bill Processing Program Set	See Billing.
6. Run the Generate Accruals process	Generate Accruals - Actual. Streams defined for accrual are accounted as revenue.
7. Create Receipts	See Receipts and Invoices.
8. Run Daily Interest Calculation Program	See Processes.
9. Terminate Expired Contracts	Daily Interest Calculation must be completed prior to termination or expiration of contract.

Contract Transactions

The following table shows what contract transactions are allowed for a variable rate contract when a fixed amount is billed periodically with principal reduction on receipt of cash.

Transaction	Conditions
Rebook	Current dated and prospective changes are permitted to interest rate parameters.
Principal Paydown	Permitted
Loan Paydown	Permitted
Termination	Early and Partial terminations are allowed.

Transaction	Conditions
Lease Center	Non-financial updates can be made.

Calculate Interest Billing on Rate Change

Overview

The periodic payments are defined on the contract and a Variable Interest Schedule is generated at the time of booking the contract. Actual or Scheduled Principal Balance may be defined as the basis of interest calculation. The actual interest is calculated at the time of Billing. Principal and Interest are billed on Principal schedule and Interest schedule respectively. Calculate Interest Billing on Rate Change to reflect the ability to change Variable Interest Schedule for skips and stubs.

Calculate Interest Billing on Rate Change

Contract Conditions	Description
Applicability	Loan or Revolving Loan.
Rate Change	Interest rate shall change based on the index and contract setup.
Process	Variable interest billing schedule may defer to principal billing schedule. Interest calculated for billing on variable interest schedule.
Billing	Principal billing done on original schedule. Interest rate changes are billed on the variable interest schedule.
Cash	Cash is applied to invoices.
Revenue	Income is estimated from the last billed date to the accounting period close. Estimated income is reversed in the next accounting period. Interest billed is accounted as income.
Interest Calculation Basis	Float.

Contract Conditions	Description
Revenue Recognition Method	Estimated and Billed.

Setup

Setup steps must be completed before variable rate contracts can be processed. The following table describes setup requirements for Calculate Interest Billing on Rate Change.

Setup Steps for Calculate Interest Billing on Applicable Rates

Setup Step	Location/Link	Description
Stream Purpose	Stream Types	Streams applicable by book class for fixed rate contracts. Variable Interest - for billing calculated interest amounts. Interest Payment - should be non billable as interest payment stream is not billed. Variable Interest Income - to accrue estimated income. Unscheduled Principal Payment - for principal paydown.
Pricing Method	Stream Generation Template	External only.
Book Classification	Stream Generation Template	Loan, Revolving Loan.
Tax Owner	Stream Generation Template	As applicable.
Interest Calculation Basis	Stream Generation Template	Float.
Revenue Recognition Method	Stream Generation Template	Estimated and Billed.

Setup Step	Location/Link	Description
Primary	Stream Generation Template	Use streams applicable by book class for fixed rate contracts.
Dependent	Stream Generation Template	<p>Use streams applicable by book class for fixed rate contracts.</p> <p>Variable Interest as a dependent of Rent.</p> <p>Interest Payment as a dependent of Rent.</p> <p>Variable Interest Income as a dependent of Rent.</p> <p>Unscheduled Principal Payment as a dependent of Rent.</p>
Validations	Stream Generation Template	Stream generation source must be External.
Accounting Templates	Accounting Template Set	<p>Use streams applicable by book class for fixed rate contracts.</p> <p>Variable Interest for transaction type Billing.</p> <p>Variable Interest for transaction type Accrual.</p> <p>Variable Interest Income for transaction type Accrual.</p> <p>Unscheduled Principal Payment for transaction type Billing.</p>
Quality Values	Financial Product	Book Classification is Loan or Revolving Loan. Tax Owner is Lessee. Interest Calculation Basis is Float. Revenue Recognition Method is Estimated and Billed.
Accrual Streams	Financial Product	<p>Use streams applicable by book class for fixed rate contracts.</p> <p>Variable Interest for billed interest.</p> <p>Variable Interest Income for estimated interest.</p>

Setup Step	Location/Link	Description
Validations	Financial Product	Quality values must match the stream generation template.

Contract Details

In order to calculate the actual interest on rate change for variable rate contracts with an interest calculation of Float, complete the procedures in the following table.

Procedures

When you calculate variable rate for Calculate Interest Billing on Applicable Rates, complete the procedures in the following table.

Procedure	Description
1. Create Contract	See Contract Authoring.
2. Associate Financial Product with correct Quality Values	See Define Financial Product.
3. Define Applicable Interest Rate Parameters	See Create Interest Rate Details.
4. Activate the Contract	See Contract Authoring.
5. Run the Variable Rate Billing process	Run Create Receivables Variable Rate Invoices. Actual interest amounts are calculated.
6. Run the Bill Processing Program Set	See Billing.
7. Run the Generate Accruals process	Generate Accruals - Estimated and Billed. Income is estimated from the last billed date to the accounting period close. Estimated income is reversed in the next accounting period. Interest billed is accounted as income.
8. Terminate Expired Contracts	Variable rate processing must be completed prior to the termination of an expired contract.

Contract Transactions

The following table shows what contract transactions are allowed for variable rate contracts when the interest calculation is Float.

Transaction	Conditions
Rebook	Current dated and prospective changes are permitted to interest rate parameters. Current dated and prospective changes are permitted to additional interest rate parameters.
Principal Paydown	Permitted.
Loan Paydown	Not applicable.
Termination	Early and Partial terminations are allowed.
Lease Center	No financial updates are permitted.

Interest Amount Varies on Change of Interest Rate With Principal Reduction on Receipt of Cash

Overview

The following table describes contract conditions for a variable rate contract when the amount billed varies on change of interest rate with principal reduction on receipt of cash.

Interest Amount Varies on Change of Interest Rate With Principal Reduction on Receipt of Cash

Contract Conditions	Description
Applicability	Loans, Revolving Loans.
Rate Change	Interest rate shall change based on the index and contract setup.

Contract Conditions	Description
Process	<p>Billing amount is derived from original principal schedule and calculated interest.</p> <p>Interest is recalculated on cash receipt.</p> <p>Cash receipt is applied to interest first, balance is applied to principal.</p>
Billing	<p>Principal billing is done on original schedule.</p> <p>Interest is calculated and billed.</p>
Cash	<p>Interest is calculated on cash receipt.</p> <p>Cash receipt is applied to interest first, balance is applied to principal.</p>
Revenue	Calculated on actual principal balance with applicable rate.
Interest Calculation Basis	Float.
Revenue Recognition Method	Actual.

Setup

Setup steps must be completed before variable rate contracts can be processed. The following table describes setup requirements for a variable rate loan when the interest amount varies on change of interest rate with principal reduction on receipt of cash loan.

Setup Steps for Interest Amount Varies on Change of Interest Rate With Principal Reduction on Receipt of Cash

Setup Step	Location/Link	Description
Stream Purpose	Stream Types	<p>Use streams applicable by book class for fixed rate contracts.</p> <p>Actual Income Accrual - to accrue actual income.</p> <p>Variable Loan Payment - for billing calculated principal and interest amount.</p> <p>Daily Interest - Interest - for actual interest amounts.</p> <p>Daily Interest - Principal - for actual principal amounts.</p> <p>Excess Interest Paid - for excess interest recovered.</p> <p>Excess Loan Payment Paid - for excess loan payment recovered.</p> <p>Excess Principal Paid - for excess principal recovered.</p> <p>Unscheduled Loan Payment - for loan paydown.</p> <p>Unscheduled Principal Payment - for principal paydown.</p>
Pricing Method	Stream Generation Template	External only.
Book Classification	Stream Generation Template	Loans, Revolving Loans.
Tax Owner	Stream Generation Template	As applicable.
Interest Calculation Basis	Stream Generation Template	Float.

Setup Step	Location/Link	Description
Revenue Recognition Method	Stream Generation Template	Actual.
Primary	Stream Generation Template	Use streams applicable by book class for fixed rate contracts.
Dependent	Stream Generation Template	<p>Use streams applicable by book class for fixed rate contracts.</p> <p>Actual Income Accrual as a dependent of Rent.</p> <p>Daily Interest - Interest as a dependent of Rent.</p> <p>Daily Interest - Principal as a dependent of Rent.</p> <p>Excess Interest Paid as a dependent of Rent .</p> <p>Excess Loan Payment Paid as a dependent of Rent.</p> <p>Excess Principal Paid as a dependent of Rent.</p> <p>Unscheduled Loan Payment as a dependent of Rent.</p> <p>Unscheduled Principal Payment as a dependent of Rent.</p> <p>Variable Loan Payment as a dependent of Rent.</p>
Validations	Stream Generation Template	Stream generation source must be External.

Setup Step	Location/Link	Description
Accounting Templates	Accounting Template Set	<p>Use streams applicable by book class for fixed rate contracts.</p> <p>Actual Income Accrual for transaction type Accrual.</p> <p>Daily Interest - Interest for transaction type Receipt Application.</p> <p>Daily Interest - Principal for transaction type Receipt Application.</p> <p>Variable Loan Payment for transaction type Billing.</p> <p>Unscheduled Loan Payment for transaction type Billing.</p> <p>Unscheduled Principal Payment for transaction type Billing.</p>
Quality Values	Financial Product	<p>Book Classification is Loan or Revolving Loan. Tax Owner is Lessee. Interest Calculation Basis is Float. Revenue Recognition Method is Actual.</p>
Accrual Streams	Financial Product	Actual Income Accrual Stream.
Validations	Financial Product	Quality values must match the stream generation template.

Procedures

In order to process a variable rate loan for an interest amount varies on change of interest rate with principal reduction on receipt of cash, complete the procedures in the following table.

Procedure	Description
1. Create Contract	See Contract Authoring.
2. Associate Financial Product with correct Quality Values	See Define Financial Product.

Procedure	Description
3. Define Applicable Interest Rate Parameters	See Create Interest Rate Details.
4. Activate the Contract	See Contract Authoring.
5. Run the Variable Rate Billing process	Create Receivables Variable Rate Invoices. Interest bill amounts are calculated.
6. Run Bill Processing Program Set	See Processes.
7. Run Generate Accruals Process	Generate Accruals - Actual Streams defined for accrual are accounted as revenue.
8. Create Receipts	See Receipts and Invoices.
9. Run Daily Interest Calculation Program	See Processes.
10. Terminate Expired Contracts	Daily Interest Calculation must be completed prior to termination or expiration of contract.

Contract Transactions

The following table shows what contract transactions are allowed for a variable rate contract when the interest amount varies on change of interest rate with principal reduction on receipt of cash.

Transaction	Conditions
Rebook	Current dated and prospective changes are permitted to interest rate parameters.
Principal Paydown	Permitted.
Loan Paydown	Permitted.
Termination	Early and Partial terminations are allowed.
Lease Center	Non-financial updates can be made.

Reamortize Contract on Rate Change

In this example, the periodic payments are defined on the contract at the time of booking. On the billing schedule, if there is a change in the applicable interest rate, the new rate is used to calculate the new periodic payment amount based on the current principal balance that will pay down the principal balance over the remaining original term of the contract to a zero balance assuming no future change in indexed rates.

The Create Receivables Variable Rate Invoices program should be run for each billing period to reamortize the contract. The program will recalculate the future payments and rebook the contract with the revised payments.

Overview

The following table describes contract conditions for reamortizing a loan contract on an interest rate change.

Reamortize Loan on Rate Change

Contract Conditions	Description
Applicability	Loans.
Rate Change	Interest rate can change only on the scheduled billing date.
Process	Recalculate payments based on new interest rate for the balance term. Rebook contract with revised payments, regenerate amortization schedule, generate accrual and billing adjustments, if applicable.
Billing	Billing is done from schedule.
Cash	Cash is applied to invoices.
Revenue	Revenue is recognized based on income streams generated.
Interest Calculation Basis	Reamort.
Revenue Recognition Method	Streams.

Setup

Setup steps must be completed before variable rate contracts can be processed. The following table describes setup requirements for a reamortization loan contract on a rate

change.

Setup Steps for Reamort Loan on Rate Change

Setup Step	Location/Link	Description
Stream Purpose	Stream Types	Use streams applicable by book class for fixed rate contracts.
Pricing Method	Stream Generation Template	External only.
Book Classification	Stream Generation Template	Loan.
Tax Owner	Stream Generation Template	As applicable.
Interest Calculation Basis	Stream Generation Template	Reamort.
Revenue Recognition Method	Stream Generation Template	Streams.
Primary	Stream Generation Template	Use streams applicable by book class for fixed rate contracts.
Dependent	Stream Generation Template	Use streams applicable by book class for fixed rate contracts.
Validations	Stream Generation Template	Stream generation source must be External.
Accounting Templates	Accounting Template Set	Use streams applicable by book class for fixed rate contracts.
Quality Values	Financial Product	Book Classification and Tax Owner are as applicable. Interest Calculation Basis is Reamort. Revenue Recognition Method is Streams.
Accrual Streams	Financial Product	Use streams applicable by book class for fixed rate contracts.

Setup Step	Location/Link	Description
Validations	Financial Product	Quality values must match the stream generation template.

Contract Details

When authoring your contract, only a level payment schedule is supported for reamort loans.

Procedures

When processing a reamortization on rate change for a variable rate loan, complete the procedures in the following table.

Procedure	Description
1. Create Contract	See Contract Authoring.
2. Associate Financial Product with correct Quality Values	See Define Financial Product.
3. Activate the Contract	See Contract Authoring.
4. Run the Variable Rate Billing process	See Billing.
5. Run the Generate Accruals process	See Processes.

Contract Transactions

The following table shows what contract transactions are allowed for a variable rate reamort loan on a rate change.

Transaction	Conditions
Rebook	Current dated and prospective changes are permitted to interest rate parameters. Current dated and prospective changes are permitted to additional interest rate parameters.
Principal Paydown	Applicable for loans.

Transaction	Conditions
Loan Paydown	Not applicable for loans where the revenue recognition method is Streams.
Termination	Early and Partial terminations are allowed.
Lease Center	Non-financial updates can be made.

Reamortize Contract on Rate Change with Principal Reduction on Receipt of Cash

In this scenario, the rent payment is defined on the contract at the time of booking. On the billing schedule, if there is a change in the applicable interest rate, the new rate is used to calculate the future payments and rebook the contract. The rent is billed on the Rent schedule.

The actual interest is calculated on Receipt of cash based on the actual principal balance. The receipt is applied first towards the interest amount and then to the principal. Actual interest is accrued as and when the accrual program is run. The actual interest is recalculated up to the accrual date and the difference between the actual interest accounted till date and actual interest calculated is accrued.

The Create Receivables Variable Rate Invoices program should be run for each billing period to reamortize the contract. The program will recalculate the future payments and rebook the contract with the revised payments.

Overview

The following table describes contract conditions for a Reamortize Contract on Rate Change with Principal Reduction on Receipt of Cash loan.

Reamortize Contract on Rate Change with Principal Reduction on Receipt of Cash

Contract Conditions	Description
Applicability	Loans.
Rate Change	Interest rate can only change on the scheduled billing date.

Contract Conditions	Description
Process	<p>Recalculate payments based on new interest rate for the balance term.</p> <p>Rebook contract with revised payments, regenerate amortization schedule, generate accrual and billing adjustments, if applicable.</p> <p>Interest is recalculated on cash receipt.</p> <p>Cash receipt is applied to interest first, balance is applied to principal.</p>
Billing	Billing is done from schedule.
Cash	<p>Interest is calculated on cash receipt.</p> <p>Cash receipt is applied to interest first, balance is applied to principal.</p>
Revenue	Calculated on actual principal balance with applicable rate.
Interest Calculation Basis	Reamort.
Revenue Recognition Method	Actual.

Setup

Setup steps must be completed before a variable rate contract can be processed. The following table describes setup requirements for a Reamortize Contract on Rate Change with Principal Reduction on Receipt of Cash loan.

Setup Steps for Reamortize Contract on Rate Change with Principal Reduction on Receipt of Cash

Setup Step	Location/Link	Description
Stream Purpose	Stream Types	<p>Use streams applicable by book class for fixed rate contracts.</p> <p>Actual Income Accrual - to accrue actual income.</p> <p>Variable Loan Payment - for billing calculated principal and interest amount.</p> <p>Daily Interest - Interest - for actual interest amounts.</p> <p>Daily Interest - Principal - for actual principal amounts.</p> <p>Excess Interest Paid - for excess interest recovered.</p> <p>Excess Loan Payment Paid - for excess loan payment recovered.</p> <p>Excess Principal Paid - for excess principal recovered.</p> <p>Unscheduled Loan Payment - for loan paydown.</p> <p>Unscheduled Principal Payment - for principal paydown.</p>
Pricing Method	Stream Generation Template	External only.
Book Classification	Stream Generation Template	Loans.
Tax Owner	Stream Generation Template	As applicable.
Interest Calculation Basis	Stream Generation Template	Reamort.
Revenue Recognition Method	Stream Generation Template	Actual.

Setup Step	Location/Link	Description
Primary	Stream Generation Template	Use streams applicable by book class for fixed rate contracts.
Dependent	Stream Generation Template	<p>Use streams applicable by book class for fixed rate contracts.</p> <p>Actual Income Accrual as a dependent of Rent.</p> <p>Daily Interest - Interest as a dependent of Rent.</p> <p>Daily Interest - Principal as a dependent of Rent.</p> <p>Excess Interest Paid as a dependent of Rent .</p> <p>Excess Loan Payment Paid as a dependent of Rent.</p> <p>Excess Principal Paid as a dependent of Rent.</p> <p>Unscheduled Loan Payment as a dependent of Rent.</p> <p>Unscheduled Principal Payment as a dependent of Rent.</p> <p>Variable Loan Payment as a dependent of Rent.</p>
Validations	Stream Generation Template	Stream generation source must be External.

Setup Step	Location/Link	Description
Accounting Templates	Accounting Template Set	<p>Use streams applicable by book class for fixed rate contracts.</p> <p>Actual Income Accrual for transaction type Accrual.</p> <p>Daily Interest - Interest for transaction type Receipt Application.</p> <p>Daily Interest - Principal for transaction type Receipt Application.</p> <p>Variable Loan Payment for transaction type Billing.</p> <p>Unscheduled Loan Payment for transaction type Billing.</p> <p>Unscheduled Principal Payment for transaction type Billing.</p>
Quality Values	Financial Product	Book Classification is Loan. Tax Owner is Lessee. Interest Calculation Basis is Reamort. Revenue Recognition Method is Actual.
Accrual Streams	Financial Product	Actual Income Accrual.
Validations	Financial Product	Quality values must match the stream generation template.

Procedures

When processing a reamortization on a rate change for a variable rate loan on rate change with principal reduction on receipt of cash, complete the procedures in the following table.

Procedure	Description
1. Create Contract	See Contract Authoring.
2. Associate Financial Product with correct Quality Values	See Define Financial Product.

Procedure	Description
3. Define Applicable Interest Rate Parameters	See Create Interest Rate Details.
4. Activate the Contract	See Contract Authoring.
5. Run the Variable Rate Billing process	Create Receivables Variable Rate Invoices. Revised payments are calculated if interest rate has changed. Contract is rebooked after applying the revised payments.
6. Run Bill Processing Program Set	See Processes.
7. Run Generate Accruals Process	Generate Accruals - Actual Streams defined for accrual are accounted as revenue.
8. Create Receipts	See Receipts and Invoices.
9. Run Daily Interest Calculation Program	See Processes.
10. Terminate Expired Contracts	Daily Interest Calculation must be completed prior to termination or expiration of contract.

Contract Transactions

The following table shows what contract transactions are allowed for a reamortization contract on rate change with principal reduction on receipt of cash.

Transaction	Conditions
Rebook	Current dated and prospective changes are permitted to interest rate parameters.
Principal Paydown	Permitted.
Loan Paydown	Permitted.

Transaction	Conditions
Termination	Early and Partial terminations are allowed.
Lease Center	Non-financial updates can be made.

Catchup Interest on a Separate Schedule to Regular Billing

Periodic payments are defined on the contract. Principal payment, Interest payment, and Income Accrual streams are generated at the time of booking the contract. Principal and Interest are billed on Principal schedule and Interest schedule respectively. Actual principal balance is used as the basis of catchup calculation. The Income Accrual stream is used to accrue the estimated interest at the end of each month. The actual interest is calculated on the catchup frequency and difference between the estimated and billed amount can be refunded, adjusted or not adjusted against principal if in excess, or billed if the interest was short.

Overview

The following table describes contract conditions for Catchup Interest on a Separate Schedule to Regular Billing.

Catchup Interest on a Separate Schedule to Regular Billing

Contract Conditions	Description
Applicability	Loans.
Rate Change	Interest rate shall change based on the index and contract setup.
Process	Billing is done on the original schedule. Interest rate changes are calculated on a separate schedule.
Billing	Billing is done from schedule for principal and other streams. Interest rate changes are billed on the catchup frequency.
Cash	Cash is applied to invoices.

Contract Conditions	Description
Revenue	Revenue is recognized based on income streams generated. Interest rate changes are calculated and billed and also accounted as income.
Interest Calculation Basis	Catchup/Cleanup.
Revenue Recognition Method	Streams.

Setup

Setup steps must be completed before variable rate contracts can be processed. The following table describes setup requirements for Catchup Interest on a Separate Schedule to Regular Billing.

Setup Steps for Catchup Interest on a Separate Schedule to Regular Billing

Setup Step	Location/Link	Description
Stream Purpose	Stream Types	Use streams applicable by book class for fixed rate contracts. Interest Catchup - for billing calculated interest amounts. Principal Catchup - for adjusting principal amounts. Unscheduled Principal Payment - for principal paydown.
Pricing Method	Stream Generation Template	External only.
Book Classification	Stream Generation Template	Loans.
Tax Owner	Stream Generation Template	As applicable.
Interest Calculation Basis	Stream Generation Template	Catchup/Cleanup.

Setup Step	Location/Link	Description
Revenue Recognition Method	Stream Generation Template	Streams.
Primary	Stream Generation Template	Use streams applicable by book class for fixed rate contracts.
Dependent	Stream Generation Template	Use streams applicable by book class for fixed rate contracts. Interest Catchup as a dependent of Rent. Principal Catchup as a dependent of Rent. Unscheduled Principal Payment as a dependent of Rent.
Validations	Stream Generation Template	Stream generation source must be External.
Accounting Templates	Accounting Template Set	Use streams applicable by book class for fixed rate contracts. Interest Catchup for transaction type Billing. Principal Catchup for transaction type Billing. Unscheduled Principal Payment for transaction type Billing.
Quality Values	Financial Product	Book Classification is Loan. Tax Owner is Lessee. Interest Calculation Basis is Catchup/Cleanup. Revenue Recognition Method is Streams.
Accrual Streams	Financial Product	Revenue is recognized based on income streams generated. Interest Catchup is billed and also accounted as income.
Validations	Financial Product	Quality values must match the stream generation template.

Contract Details

Procedures

When you process variable rate contracts for Catchup Interest on a Separate Schedule to Regular Billing loan, complete the procedures in the following table.

Procedure	Description
1. Create Contract	See Contract Authoring.
2. Associate Financial Product with correct Quality Values	See Define Financial Product.
3. Define Applicable Interest Rate Parameters	Create Interest Rate Details.
4. Activate the Contract	See Contract Authoring.
5. Run the Bill Processing Program Set	See Billing.
6. Run the Variable Rate Billing process	Create Receivables Variable Rate Invoices. Interest adjustment amount is calculated, billed, and stored as a stream.
7. Run the Generate Accruals process	Generate Accruals - Streams. Streams defined for accrual are accounted for as revenue.
8. Terminate Expired Contracts	Variable rate processing must be completed prior to termination or expiration of contract.

Contract Transactions

The following table shows what contract transactions are allowed for a variable rate contract with Catchup Interest on a separate schedule.

Transaction	Conditions
Rebook	Current dated and prospective changes are permitted to interest rate parameters. Current dated and prospective changes are permitted to additional interest rate parameters.

Transaction	Conditions
Principal Paydown	Permitted.
Loan Paydown	Not applicable.
Termination	Early and Partial terminations are allowed.
Lease Center	Non-financial updates can be made.

Contract Authoring and Variable Rate

To add variable rate interest details to a contract, see [Create Interest Rate Details](#), page 10-119.

Variable Rate Billing

For information on variable rate billing, see [Variable Rate Billing](#), page 17-8.

Rebook and Variable Rate

Some interest rate details cannot be updated upon the online rebook of a contract. The following table shows the interest rate details that can or cannot be updated for online rebook.

Online Rebook Interest Rate Details

Updateable Fields	Fields That Cannot Be Updated
Interest Index	Base Rate
Adder Rate	Interest Start Date
Maximum Rate	Principal Basis
Minimum Rate	Days in a Month
Interest Basis	Days in a Year

Updateable Fields	Fields That Cannot Be Updated
Rate Delay	Catchup Start Date
Rate Delay Frequency	Catchup Frequency
Rate Change Frequency	Catchup Settlement
Rate Change Tolerance	Rate Change Start Date

The following table describes what online rebook changes are permitted for different interest rate scenarios.

Permitted Changes for Online Rebook Interest Rate Contracts

Book Classification	Interest Calculation Basis	Conditions
Operating Lease, Direct Finance Lease, Sales Type Lease	Fixed, Float Factors	Effective date of change should be after the effective date of current interest rate details.
Operating Lease, Direct Finance Lease, Sales Type Lease	Reamort	Changes are permitted before contract has been rebooked, or before the first interest processing.
Loan	Fixed, Float, Catchup/Cleanup	Effective date of change should be after the effective date of current interest rate details.
Loan	Reamort	Changes are permitted before contract has been rebooked, or before the first interest processing.
Revolving Loan	Float	Effective date of change should be after the effective date of current interest rate details.

Contract Revisions

This chapter covers the following topics:

- Contract Revisions Overview
- Revising a Contract
- Online Rebook
- Effective Dated Rebook
- Reverse a Booked Contract
- View Contracts Under Revision
- Split Asset
- Associate and Delink a Service
- Mass Rebook
- Transfer and Assumption

Contract Revisions Overview

When a contract is booked, Oracle Lease and Finance Management calls the accounting engine to create balance sheet entries for the assets on a lease. Depending on the book classification, the lease contract is an asset in the form of expected receivables or leased assets. Each period some of the assets are amortized as they generate revenue and incur expense. These entries are reported through a company's income statements.

When the receivable or asset values change, the balance sheet accounts must be updated. Depending on when the changes occurred, the revenues and expenses recognized may also require adjustments. All adjustments must happen in the same accounting period or the balance sheet will be incorrect. The process of making these adjustments is called rebooking.

If financial information does not change, you can make small revisions to a contract without rebooking the contract. After you have booked a contract, however, you cannot change the financial terms of the contract without making a contract revision and going

through the Rebook process.

Rebooking Overview

Rebooking is the process of altering an existing lease/loan transaction due to some financial change in the deal structure, rental payment change, credit extension, due date change, etc. New accounting entries or adjusting entries are made when the contract is reactivated.

Oracle Lease and Finance Management supports the following two types of rebooking:

- Online Rebook - Users edit a copy of the contract and the changes are copied back to a version of the original contract.
- Mass Rebook - Edits are directly copied onto the contract version.

Rebooking Requirements

If you make adjustments to a contract that effect such factors as depreciation, rent, overall cost, or residual value, you must perform the complete, two-part Revision and Rebook process. Non-financial contract revisions, such as billing set ups, do not require rebooking. Asset splits and contract reversal do not involve stream generation and do not require rebooking.

Revisions that require changes to journal entries require the complete Rebook process.

Note: When you revise a contract using the online rebook method, you cannot change the contract currency, and some other types of information. In addition, although it may appear that you can edit all fields, not all edits are copied back into the rebooked contract version. Mass rebooks are done through controlled processes that require specific inputs for changed values.

Rebooking is required for any change impacting the following:

- cash flow dates - impacts rates and interest charges
- rents - impacts income amount and rates
- asset values - impacts income amount and rates
- depreciation values - impacts expenses which impacts net income
- book classification - supported through re-lease, not rebook
- stream regeneration - any need to regenerate streams

Revising a Contract

The first part of contract revisions is to initiate a revision from the Revisions pages.

Prerequisites

You must have a booked contract. Some types of contract revisions have further prerequisites, for example:

- To Reverse a contract (a different process from revising), you must not yet have billed or accrued it. See Reverse a Booked Contract. If it has already been billed, you must terminate the contract instead. See Contract Terminations, page 24-1. You may reverse a contract that has been funded.

Steps

Perform the following steps for contract revisions in the Revise Contract page.

1. Search for booked contracts in the Contract Search page.
2. In the search results table, select Revise in the Action column for the applicable booked contract and click Go.

The Revise Contract page opens.

3. Select one of the following reason types:
 - Rebook- Initiates an online rebook revision where you can edit some of the data on the contract.
 - Reverse a Contract-Reverses the contract booking transaction if there are no transactions against the contract except Funding and Booking.
 - Under Revision-Allows you to view the online rebook copies for the contract.
 - Split Asset-Allows you to split an asset which does not require a rebook.
 - Associate Services-Used to delink lease and service contracts for revising.
 - Release Contract-Allows you to perform a customer change or product change on a contract.
4. Select a Reason, and the date you want the revision to take effect, from the lists of values. Possible reasons include: Adjust Cost, Adjust Depreciation, Adjust Rent, or Adjust Residual Value; Change in Due Date or Start Date; Customer Change, Extend Term; Principal Paydown, Product Change, Split Asset; and Other. The Properties, Yields, and Streams details of the contract appear as read-only fields.

Additional Information: The Customer Change reason code is used by the Transfer and Assumption process, which allows you to change customer-related information on the contract, such as Customer Name, Bill-To Address, etc. For more information, see Transfer and Assumption below.

5. Select or enter the Revision Date. (It must be after the Rebook Limit date of the original contract.)

Additional Information: The Revision Date is used as the in-service date for new asset lines added during rebook. It is also used as the transaction date for any rebook-related adjustments and is the effective date of any contract transfer for customer change or product change.

While revising a contract with a late interest date, ensure that the contract revision date is earlier than the late interest date.

Add a Re-leased Asset During Contract Revision

Oracle Lease and Finance Management allows returned equipment to be re-leased on a new contract. Operational flexibility often requires lessors to add a re-lease asset over the life of the contract. Some scenarios that require the addition of a re-lease asset over the life of the contract are:

- Additional units delivered and added to a contract during the contract term
- Units terminated from a contract for a period of time but later added back to the same contract
- Units terminated from one contract and added back to another contract

Additionally, Oracle Lease and Finance Management provide the ability to calculate and collect upfront tax on re-lease assets.

Steps for Adding a Re-lease Asset on a Rebook Contract

1. On the Configuration page for the rebook contract, select the Re-Lease option from the Create Asset list.
2. Navigate to the Create Re-lease Asset page and allow the entry of asset details. While saving the asset details, validate that off lease transaction processing is complete for the re-lease asset.

You should be able to enter asset terms, subsidies, and payments and perform

fee/service/usage association for the newly added re-lease asset.

The system performs applicable QA validations and generates streams for the added re-lease asset.

3. Activate the rebook contract for the added re-lease asset. When activating the rebook contract, the system performs the following updates:
 - Synchronizes the contract line, re-lease asset identifier, terms, payments, subsidies, fee/service/usage association and streams on to original contract.
 - Performs Release accounting for the re-lease assets added during rebook.
 - Performs updates in Oracle Assets to link the re-lease asset to the contract and update the asset cost and depreciation parameters as required.
 - Updates the Installed Base instance to reflect the new contract customer and install location.
 - If the re-lease asset was associated to a usage line, updates the service contract to reflect the addition.
 - Updates the asset return request status to Cancelled, if any.

Calculate and Collect Upfront Tax

1. Enable the system option "Enable Upfront Tax on Re-lease". This option is enabled only if the ☉Tax Upfront☉ system option was enabled. If the system option "Enable Upfront Tax on Re-lease" is disabled, then no upfront tax call will be made for re-lease assets. By default, the value of the system option "Enable Upfront Tax on Re-lease" is set to No.

If the system option ☉Enable Upfront Tax on Re-lease☉ is enabled, the system performs the following:

- Execute the Calculate Upfront Tax step during the contract activation for all contracts, including contracts having re-lease assets (such as renewal and refinance). An exception would be Transfer & Assumption and Product Change release contracts.
- Makes the upfront tax call for re-lease assets during Booking, Rebook, Asset Relocation, Split into units and Split into components transactions.
- For upfront tax calculated on re-lease assets, creates a billing transaction or capitalized/financed fee depending on the Upfront Tax Treatment specified on the contract.

Online Rebook

Online Rebook Overview

Online rebook is the process of manually rebooking a contract. During online rebooking, when you click Rebook, a copy of the contract is created with the contract number containing the rebook extension. The original contract remains active and in effect during the editing of the copy. Once you activate the contract copy, fields that can be edited, along with streams and yields, are copied from the rebooked contract copy to a new version of the original contract. The contract copy is assigned the status Abandoned and is no longer usable. Copies can be abandoned if rebooking is not to be completed. When you book the copy contract, the original contract is versioned.

The following table shows what online rebooking changes are permitted in Oracle Lease and Finance Management.

Allowed	Not Allowed
Term extension	Customer or customer account
Term reduction	New services or service changes
Add parties	New usages or changes to usages
Changes to payments (asset, fee, service)	Changes to covered assets
Changes to assets from the start date, including depreciation changes	Changes to fees (except for General fees)
New assets (ending at the same time as the contract term end)	
New fees	
Non-financial changes, such as terms and conditions, or asset details	

Online Rebook Accounting

Dates in Rebook Accounting

When booking a new version of a contract, the rebooking transaction date is used to

determine the General Ledger date. Contracts can be rebooked for closed periods. For transaction dates in closed periods, Oracle Lease and Finance Management finds the open period closest to the transaction date and posts entries for that period.

Changing start dates during a rebook is permitted in the following situations:

- The new start date must occur after the original start date. Back-dating to a previous date is not allowed.
- The new start date must occur before the revision date.
- The revision date cannot be before the rebook limit date.
- You can enter a date that is in the future in relationship to the original start date, but not earlier than the original start date.

The rebook limit date cannot be updated after booking, and does not change as a result of the rebook.

Term Reduction During Rebook

You can now reduce the term of a contract while rebooking.

The following validations are included for term reduction:

- Term reduction is only allowed for contract in **Booked** status.
- The term reduction is not allowed if the new end date is earlier than the system date, that is the revised contract end date must be in the future.
- No accepted termination or renewal quotes should be present on the contract.
- For Investor Agreements, the term reduction is allowed if the contract is securitized and brought back.
- The term reduction is not allowed if the usage line is present on the contract.
- The term reduction is not allowed if following transactions are present after new contract end date:
 - Rebook , Release, Termination, Principal Paydown, or Split Asset Transactions
 - Asset relocation
 - FA transactions
 - Insurance
 - T & A

- Variable Rate interest calculation
- Passthrough, Expense, and Funding disbursements

Additional Validations:

You may need to perform the following additional validations in other areas as well if the term is reduced during rebook:

- Transfer and Assumption:
 - On approving the T&A request, you must check that the Transfer Effective Date is still within the contract term.
 - You must check whether the current lessee is valid in the new term.
- Insurance:
 - You must relax the validation on the insurance effectivity while rebooking a contract.
 - You must make sure that the insurance policy gets created for the new term and adjustments, if any, should happen accordingly.

Post Rebook using Term Reduction Check:

You may need to check the following activities while reducing the term of the contract:

- Billing Reversal:
 - If the billing has already been done between the new contract end date and old contract end date, then you must reverse the billed invoices.
- Accrual Adjustments:
 - If the accrual is already run beyond the new contract end date, then you must do the accrual adjustment.

Writedown Residual Value and Salvage Value Update in Rebook

During an online rebook, the Residual Value can be updated using the Contracts Revision page. The user can writedown the Residual Value by a percentage or a fixed amount. The rebook process will update the contract with the new Residual Value.

Residual Value can also be updated using the Residual Value Writedown page under the Assets - Transactions Tab. The user can writedown the Residual Value by a percentage or a fixed amount. To process the Residual Value transaction, the Process Residual Value Writedown transactions program should be run. The Process Residual Value Writedown transactions program calls Mass Rebook which updates the contract with the new Residual Value.

An online rebook or mass rebook does not update the Salvage Value on the contract.

Rebook and Insurance

When a rebook is activated, the insurance policy program cancels the existing policy and creates a new policy based on the new contract values. No other programs are required.

In a scenario where you have a contract with a 24 month term and a corresponding insurance policy for 24 months, and you rebook the contract for a 36 month term, the new insurance policy will also include the new 36 month term. Oracle Lease and Finance Management will refund any unused premiums and bill for new premiums.

During a full termination, the rebook process cancels insurance policies. No new policy is created. When a policy is canceled, Oracle Lease and Finance Management processes the accrual, billing, and disbursement adjustments.

The insurance policy is calculated at the assets level to determine a single premium amount for all assets on a contract. The policy details are stored on a contract line that references the contract header. When the policy is canceled during a rebook, the amount paid by the lessee is compared to the number of months of past coverage. Credit is calculated for the remaining number of months that were paid but not used. A credit memo is created for that amount.

After the rebook is complete, a new policy is created using the revised value for the assets to determine a new premium. The premium is calculated on a quote (as for a new contract) at the asset level and then summed to a total for the quote. A policy is then created and activated from the quote automatically. The premium amount is billed on an invoice. You can then apply the credit memo for the cancelled policy to that invoice.

Rebook Adjustments

Online rebook calculates and generates adjustment entries for already billed and accrued streams on the rebooking date. The adjustment is based on the following information:

- The last stream element date until which the billing process is run.
- The last stream element date until which the accrual process is run.

These dates identify the total amount actually billed or accrued versus the total amount that should have been billed or accrued. This process is run for each billed stream type prior to rebooking. The difference between these two amounts is used to calculate adjustments.

Online Rebooking Procedure

Rebook online using the Revise Contracts page. The following steps outline the online rebooking process:

- Search for booked contracts in the Contract Search page.
- In the search results table, select Revise in the Action column for the applicable booked contract and click Go.
The Revise Contract page opens.
- Select Rebook Contract as the revision type.
- Select the revision reason and the date the changes become effective.
- Click Go and receive confirmation.
The Contract Details page opens.
- Click Update and edit.

The following tables shows fields that can be updated for online rebooking and whether the update is supported from the Lease Center.

Contract Header

Updateable Fields	Update Supported From Lease Center
Contract Description	Yes
Master Lease Number	No
Sales Representative	No
Purchase Order Number	Yes
Acceptance Method	Yes
Bill To Address	Yes
Term	No
Expected Delivery Date	No
Acceptance Date	Yes
Date Signed	No
Effective From	No

Updateable Fields	Update Supported From Lease Center
Re-Book Limit Date	No
Private Activity Bond	No
Consumer Credit Act Deal	No
Non-notification	No
Investor Assignable	No
Policy Number	No
Effective From	No
Effective To	No
Covered Amount	No
Deductible	No
Endorsement Field	No
Name of Insured	No
Lessor Insured - Yes/No	No
Lessor Payee - Yes/No	No
Insurance Company	No
Address	No
Agent or Broker Name	No
Agent or Broker Address	No
Insurance Proof - Due Date	No
Insurance Proof - Provided Date	No

Updateable Fields	Update Supported From Lease Center
Contract DFF	Yes

Parties Tab

Updateable Fields	Update Supported From Lease Center
Party Knows As	No
Alias	No
Additional Information (Party DFF)	Yes
Party Knows As	No
Alias	No
Customer	No
Customer Account	No
Bill To Address	No
Payment Method	No
Bank Account	No
Invoice Format	No
Print Lead Days	No
Review Invoice	No
Reason for Review	No
Review Until Date	No
Additional Information (Party DFF)	No

Updateable Fields	Update Supported From Lease Center
Add Third Party Insurance Provider	Yes
Update Third Party Insurance Provider - Party Knows As	No
Update Third Party Insurance Provider - Alias	No
Additional Information (Party DFF)	Yes
Add Guarantor	Yes
Update Guarantor - Name	Yes
Update Guarantor - Guarantor Type	Yes
Update Guarantor - Correspondence Site	Yes
Update Guarantor - Guarantee Type	Yes
Update Guarantor - Guaranteed Amount	Yes
Update Guarantor - Guarantee Date	Yes
Update Guarantor - Comments	Yes
Update Guarantor - Additional Information (Party DFF)	Yes
Add Label Holder	Yes
Update Label Holder - Name	No
Update Label Holder - URL	No
Update Label Holder - Additional Information (Party DFF)	Yes
Remove Label Holder	No

Updateable Fields	Update Supported From Lease Center
Add User-Defined Party Role	Yes
Update User-Defined Party Role - Party Knows As	No
Update User-Defined Party Role - Alias	No
Update User-Defined Party Role - Additional Information (Party DFF)	Yes

Terms and Conditions Tab - Asset Filings Region

Updateable Fields	Update Supported From Lease Center
Lien Type	No
Filing Number	No
Filing Date	No
Status	No
Lien Holder	No
Jurisdiction	No
Sub-Jurisdiction	No
Expiration Date	No
Continuation Number	No
Continuation Date	No
Title Type	No
Title Issuer	No

Updateable Fields	Update Supported From Lease Center
Title Date	No
Title Number	No
Registration Number	No
Location	No
Title Custodian	No
Payee Site	No
Registration Location	No
Registration Expiration Date	No

Terms and Conditions Tab - Asset Return Region

Updateable Fields	Update Supported From Lease Center
Floor Price Formula	Yes
Remarket Sale Price Formula	Yes

Terms and Conditions Tab - Billing Setup Region

Updateable Fields	Update Supported From Lease Center
Bill To Address	Yes
Payment Method	Yes
Bank Account	Yes
Bank Name	Yes

Updateable Fields	Update Supported From Lease Center
Cash Application Rule	Yes
Invoice Format	Yes
Print Lead Days	Yes
Review Invoice	Yes
Reason for Review	Yes
Review until Date	Yes

Terms and Conditions Tab - Conditions for Partial Termination Quote Region

Updateable Fields	Update Supported From Lease Center
Partial Termination Allowed	Yes
Approval Required	Yes

Terms and Conditions Tab - Contract Portfolio Region

Updateable Fields	Update Supported From Lease Center
Strategy	No
Days from Contract Expiration	No
Budget Amount Option	No
Budget Fixed Amount	No
Budget Amount Formula	No
Assignment Group	No

Updateable Fields	Update Supported From Lease Center
Approval Required	No

Terms and Conditions Tab - Early Termination Purchase Option - Contract Region

Updateable Fields	Update Supported From Lease Center
Purchase Option Type	No
Purchase Option	No
Purchase Option Amount	No
Purchase Option Formula	No
Purchase Option Prorate	No
Purchase Option Maximum Option	No
Purchase Option Maximum Amount	No
Purchase Option Maximum Formula	No
Purchase Option Minimum Option	No
Purchase Option Minimum Amount	No
Purchase Option Minimum Formula	No

Terms and Conditions Tab - End Of Term Purchase Option - Contract Region

Updateable Fields	Update Supported From Lease Center
Purchase Option Type	No
Purchase Option	No

Updateable Fields	Update Supported From Lease Center
Purchase Option Amount	No
Purchase Option Formula	No
Purchase Option Prorate	No
Purchase Option Maximum Option	No
Purchase Option Maximum Amount	No
Purchase Option Maximum Formula	No
Purchase Option Minimum Option	No
Purchase Option Minimum Amount	No
Purchase Option Formula	No
Automatically Process Fixed Purchase Option	Yes

Terms and Conditions Tab - Evergreen Regions

Updateable Fields	Update Supported From Lease Center
Eligible	Yes
Evergreen Formula	No
Passthrough Stream Type	No
Vendor Site	No
Pay Group	No
Payment Terms	No
Payment Basis	No

Updateable Fields	Update Supported From Lease Center
Pay Start Date	No
Payment Method	No
Payment Frequency	No
Remittance Days	No
Disbursement Basis	No
Disbursement Fixed Amount	No
Disbursement Percent	No
Processing Fee Basis	No
Processing Fee Fixed Amount	No
Processing Fee Percent	No

Terms and Conditions Tab - Factoring Region

Updateable Fields	Update Supported From Lease Center
Date	No
Percentage	No
Discount Rate	No

Terms and Conditions Tab - Gain/Loss Options on Termination Quote Region

Updateable Fields -	Update Supported From Lease Center
Net Quote Option	Yes

Updateable Fields -	Update Supported From Lease Center
Net Quote Amount	Yes
Net Quote Formula	Yes
Tolerance Allowed Option	Yes
Tolerance Allowed Amount	Yes
Tolerance Allowed Formula	Yes
Tolerance Basis	Yes
Approval Processing Formula	Yes
Approval Required	Yes

Terms and Conditions Tab - Late Charges and Late Interest Regions

Updateable Fields	Update Supported From Lease Center
Held Until	Yes
Late Interest Exempt	Yes
Late Interest Policy	Yes
Held Until	Yes
Late Interest Exempt	Yes
Late Interest Policy	Yes
Bill To Address	Yes
Payment Method	Yes
Bank Account	Yes

Updateable Fields	Update Supported From Lease Center
Bank Name	Yes
Cash Application Rule	Yes
Invoice Format	Yes
Print Lead Days	Yes
Review Invoice	Yes
Reason for Review	Yes
Review until Date	Yes

Terms and Conditions Tab - Quote Regions

Updateable Fields	Update Supported From Lease Center
Advance Notice	No
Delay Days	No
Approver	No
Courtesy Copy	No
Additional Recipient	No
Allocation Percentage	No
Main Recipient	No

Terms and Conditions Tab - Renewal Options Region

Updateable Fields	Update Supported From Lease Center
Renewal Notice Days	Yes
Renewal Option	Yes
Renewal Amount	Yes

Terms and Conditions Tab - Repurchase Quote Calculate Region

Updateable Fields	Update Supported From Lease Center
Repurchase Agreement	No
Repurchase Quote Formula	No
Sale Price Option	No
Sale Price Amount	No
Sale Price Formula	No
Sale Price Prorate	No
Discount Rate Option	No
Discount Rate Amount	No
Discount Rate Formula	No
Discount Rate Prorate	No
Quote Fee Option	No
Quote Fee Amount	No
Quote Fee Formula	No

Updateable Fields	Update Supported From Lease Center
Quote Fee Prorate	No

Terms and Conditions Tab - Residual Value Insurance, Security Deposit and Taxes and Duties Regions

Updateable Fields	Update Supported From Lease Center
Automatically Calculate Residual Value Insurance	No
Residual Value Insurance Rate	No
Held Until Maturity	Yes
Net From Proceeds	Yes
Held Until Date	Yes
Update Lines From Contract	No
Interest Disclosed	Yes
Transfer of Title	Yes
Sale and Lease Back	Yes
Purchase of Lease	Yes
Intended Use for Tax	Yes
Age of Equipment	Yes

Terms and Conditions Tab - Termination Quote Calculation - Early Termination, Contract Region

Updateable Fields	Update Supported From Lease Center
Termination Quote Formula	No
Contract Obligation Option	No
Contract Obligation Amount	No
Contract Obligation Formula	No
Contract Obligation Prorate	No
Discount Rate Option	Yes
Discount Rate Amount	Yes
Discount Rate Formula	Yes
Discount Rate Prorate	No
Quote Free Option	Yes
Quote Free Amount	Yes
Quote Free Formula	Yes
Quote Free Prorate	No
Return Fee Option	Yes
Return Fee Amount	Yes
Return Fee Formula	Yes
Return Fee Prorate	No
Rollover Incentive Option	No
Rollover Incentive Amount	No

Updateable Fields	Update Supported From Lease Center
Rollover Incentive Formula	No
Rollover Incentive Prorate	No
Security Deposit Option	No
Security Deposit Amount	No
Security Deposit Formula	No
Security Deposit Prorate	No
Termination Penalty Option	Yes
Termination Penalty Amount	Yes
Termination Penalty Formula	Yes
Termination Penalty Prorate	No
Termination Penalty Cap Option	No
Termination Penalty Cap Amount	No
Termination Penalty Cap Formula	No
Absorbed Fee Formula	No
Expense Fee Formula	No
Financed Fee Formula	No
General Fee Formula	No
Income Fee Formula	No
Miscellaneous Fee Formula	No
Passthrough Fee Formula	No

Updateable Fields	Update Supported From Lease Center
Rollover Fee	No
Estimated Property Tax Option	No
Estimated Property Tax Amount	No
Estimated Property Tax Formula	No
Estimated Property Tax Prorate	No
Contractual Fees Option	No
Outstanding Balances Option	No
Service and Maintenance Option	No
Service and Maintenance Formula	No

Terms and Conditions Tab - Termination Quote Calculation - End of Term, Contract Region

Updateable Fields	Update Supported From Lease Center
Termination Quote Formula	No
Contract Obligation Option	No
Contract Obligation Amount	No
Contract Obligation Formula	No
Contract Obligation Prorate	No
Discount Rate Option	Yes
Discount Rate Amount	Yes
Discount Rate Formula	Yes

Updateable Fields	Update Supported From Lease Center
Discount Rate Prorate	No
Quote Free Option	Yes
Quote Free Amount	Yes
Quote Free Formula	Yes
Quote Free Prorate	No
Return Fee Option	Yes
Return Fee Amount	Yes
Return Fee Formula	Yes
Return Fee Prorate	No
Rollover Incentive Option	No
Rollover Incentive Amount	No
Rollover Incentive Formula	No
Rollover Incentive Prorate	No
Security Deposit Option	No
Security Deposit Amount	No
Security Deposit Formula	No
Security Deposit Prorate	No
Termination Penalty Option	Yes
Termination Penalty Amount	Yes
Termination Penalty Formula	Yes

Updateable Fields	Update Supported From Lease Center
Termination Penalty Prorate	No
Termination Penalty Cap Option	No
Termination Penalty Cap Amount	No
Termination Penalty Cap Formula	No
Absorbed Fee Formula	No
Expense Fee Formula	No
Financed Fee Formula	No
General Fee Formula	No
Income Fee Formula	No
Miscellaneous Fee Formula	No
Passthrough Fee Formula	No
Rollover Fee	No
Estimated Property Tax Option	No
Estimated Property Tax Amount	No
Estimated Property Tax Formula	No
Estimated Property Tax Prorate	No
Contractual Fees Option	No
Outstanding Balances Option	No
Service and Maintenance Option	No
Service and Maintenance Formula	No

Terms and Conditions Tab - Termination Quote Process

Updateable Fields	Update Supported From Lease Center
Manual Quotes Only	No
Early Termination Allowed	Yes
First Termination Date	No
Send Bill Of Sale	No
Quote Effective Days	Yes
Quote Effective Maximum Days	Yes
End Of Term Tolerance Days	Yes

Configuration Tab

Updateable Fields	Update Supported From Lease Center
Asset - Add Asset	No
Add Asset - Item	No
Add Asset - Units	No
Add Asset - Unit Cost	No
Asset Key	No
Prescribed Asset	No
Model	Yes
Manufacturer	Yes
Year of Manufacturer	Yes

Install Site	Yes
Fixed Asset Location	Yes
Expected Delivery Date	No
Expected Funding Date	No
Depreciation Method	No
Life in Months	No
Rate (%)	No
In Service Date	No
Depreciable Cost	No
Salvage Value Basis	No
Salvage Value	No
Add AddOn	No
Update AddOn	No
Item	No
Cost	No
Manufacturer	No
Model Number	No
Year of Manufacture	No
Notes	No
Vendor	No
Invoice Number	No

Invoice Date	No
Ship To Site	No
Bill To Address	No
Payment Method	No
Bank Account	No
Effective From	No
Evergreen Formula	No
Passthrough Stream Type	No
Vendors	No
Vendor	No
Vendor Site	No
Pay Group	No
Payment Terms	No
Payment Basis	No
Payment Start Date	No
Payment Method	No
Payment Frequency	No
Remittance Days	No
Disbursement Basis	No
Disbursement Fixed Amount	No
Disbursement Percent	No

Processing Fee Basis	No
Processing Fee Fixed Amount	No
Processing Fee Percent	No
Vendor	No
Invoice Number	No
Invoice Date	No
Ship To Site	No
Serial Number	Yes
Update Lines from Contract	No
Transfer of Title	Yes
Sale and Lease Back	Yes
Purchase of Lease	Yes
Intended Use for Tax	Yes
Age of Equipment	Yes
Lien Type	Yes
Filing Number	Yes
Filing Date	Yes
Status	Yes
Lien Holder	Yes
Jurisdiction	Yes
Sub-Jurisdiction	Yes

Expiration Date	Yes
Continuation Number	Yes
Continuation Date	Yes
Title Type	No
Title Issuer	No
Title Date	No
Title Number	No
Registration Number	No
Location	No
Title Custodian	No
Payee Site	No
Registration Location	No
Registration Expiration Date	No

Adjustments Tab

Updateable Fields	Update Supported From Lease Center
Trade-In Date	No
Description	No
Amount	No
Asset Trade-In Amount	No
Basis	No

Down Payment Amount (Percent)	No
Capitalize	No
Down Payment Receiver	No
Subsidy	No
Subsidy Amount	No
Override Amount	No
Party	No
Pay Site	No
Payment Term	No
Payment Method	No
Pay Group	No

Non-Financial Rebooks

If a contract is updated in an online rebook and these updates do not have a financial impact, the following are not required:

- Stream generation
- Yield calculation
- Accounting transactions

Such online rebooks are called non-financial rebooks.

To perform a non-financial rebook, you must select a rebook reason that is associated with the lookup **OKL_NON_FIN_REBOOK_REASON**. You can select this rebook reason in the **Revise Contract** page. When this rebook reason is selected, the copy of the contract which is created allows update of only those fields that have no direct financial impact.

Upon activation of the rebook, neither stream generation nor accounting transactions occur.

Effective Dated Rebook

Effective Dated Rebook Overview

When the financial elements of a contract are modified due to changing conditions that result in revisions agreed to by both customer and lessor, or due to errors while authoring a contract, the resulting changes in income and expense must be spread over the remaining term of a contract. Oracle Lease and Finance Management's accounting processes with Effective Dated Rebook allow you to spread the financial impact of contract revisions from the effective date of change over the remaining term only. Effective Dated Rebook contract changes have no impact on prior accounting periods.

When a contract is rebooked, you can make the proper accounting adjustments, including the ability to spread the financial impact of the contract revisions over the remaining contract term, using Effective Dated Rebook. When utilized, Effective Dated Rebook ensures that income adjustments due to contract revisions are not recalculated and adjusted for periods prior to the effective date of the revision. Accounting for income adjustments is recognized from the effective revision date through the remaining contract term only.

This enables you to automatically apply your accounting policies with no impact on contract changes to prior or current accounting periods. Contract changes for floating rate contracts, principal paydowns, and restructures are prospective.

Effective Dated Rebook applies to standard income and expense streams in both Internal and External Pricing engines.

The Effective Dated Rebook option fulfills the following business needs:

- Eliminates income and expense adjustments associated to periods before the effective date of rebook
- Accounts for income and expense adjustments in the proper period without manual intervention
- For variable rate contracts, ensures that income recognition is consistent with the applicable rate

Effective Dated Rebook is provided in the following revision processes:

- Online Rebook
- Online Mass Rebook
- Principal Paydown
- Partial Termination

- Residual Value Writedown
- Reamortization

Effective Dated Rebook Setup

To enable Effective Dated Rebook, you must set the Amortize Income Adjustments From Revision Date system option to Yes at the Business Unit level. Once this option is set to Yes, it cannot be changed.

For external pricing engines, upgrade must be performed for existing contracts if the Amortize Income Adjustments from Revision Date system option is set to Yes. When set to Yes, a contract revision can only be performed after the contract is upgraded.

Upgrades are performed by the following methods:

- Upgrade concurrent program
- Upgrade from the Contract Copy Summary tab when performing an Online Rebook

Effective Dated Rebook Concurrent Program

For external pricing engines, you can upgrade existing contracts by running the Effective Dated Rebook Upgrade concurrent program in a Review or Submit mode. The Review mode enables you to see contracts eligible for upgrade before running the upgrade.

You can select contracts to upgrade based on one of the following criteria sets:

- **Contract:** A wide variety of contract attributes, such as Customer, Book Classification, Effective Date, etc.
- **Process:** Allows the selection of contracts to undergo a revision process at the time, such as Online Rebook, Principal Paydown, etc.

Reverse a Booked Contract

Reversing a contract cancels the accounting entries created by booking and funding, and effectively ends a contract. Reversing a contract is not possible if you have already run billing and accrual, but you can reverse if the contract has been funded. This process does not reverse entries in Oracle Assets

Prerequisites

A contract must be Booked before it is reversed. However, it cannot be billed or have any other transactions, except Funding, before it is reversed.

A contract may be Funded before it is reversed. In reversing, Oracle Lease and Finance

Management will automatically adjust its funding transactions.

Steps

- Search for booked contracts in the Contract Search page.
- In the search results table, select Revise in the Action column for the applicable booked contract and click Go.

The Revise Contract page opens.

- Select Reverse Contract as the revision type.
- Select the date the changes become effective and click Go.

Nothing further is required. You do not need to run the Billing programs.

View Contracts Under Revision

This is a view-only function that allows you to look at various contracts that are currently under revision. On the Revisions page, click Under Revisions. The Revisions in Progress page opens.

Click the copy contract or contract that you want to view.

To cancel a revision, select the check box next to the copy contract number and click Abandon.

Split Asset

Split Asset Overview

If you need to split an asset line into multiple asset lines, you can perform the Split Asset task. Because this activity does not have a financial impact on the contract, the status of the original contract never changes, and no rebook is performed. Split assets can also be created for assets off of a contract.

You can split an asset line either by units or by components. When you split an asset line by units, you can choose to split the asset line either into individual units, or to split the original number of units into two parts. For example, you can split an asset line with 10 units into 10 asset lines, each containing one unit, or you could split the asset line into two asset lines, one with 4 units, the other with 6 units.

When you split an asset line into components, you split an asset by value rather than number of units. In this case, you select new items that are components of the original asset; and for each component item, select a percentage of the total value. The number of units of each new item is the same as the number of units of the original asset. You must register the new items in Oracle Inventory before you can select them.

For example, your original asset line consists of 5 units of a Desktop PC, total cost \$6000. The PC consists of two components, PC Base and PC Monitor.

When you split by components, the following conditions apply:

- You select two new component items
- You allocate new asset numbers and descriptions for the new items
- You specify the percentage of the total original asset cost for each component In this example, you can split the PC into two components: New item PC Base, percentage 70 and New item PC Monitor, percentage 30.
- You must also provide a new asset number and description for both components. When split into components, the original 5 units of the Desktop PC split into: 5 units of the item PC Base, cost \$4200 and 5 units of the item PC Monitor, cost \$1800.

Steps

Perform the following steps on the Revise Contract page to split assets:

1. Search for booked contracts in the Contract Search page.
2. In the search results table, select Revise in the Action column for the applicable booked contract and click Go.
The Revise Contract page opens.
3. Select the applicable revision type to split assets into components or units.
4. Enter the Revision Date for the Split. The date must fall within the contract term.
5. Select the asset to split. The asset's description, number of units, and cost appear.
6. If you have selected Split Asset into Components as the revision type, then click Go. If you have selected Split Asset into Units, then provide the following details and click Go:
 - To split the asset into multiple single-unit asset lines, select the Split into Single Units check box. For example, if you had an asset line with 10 units and you select this check box, you would create 10 asset lines, each containing one unit.
 - To split the asset into two multi-unit asset lines, clear the Split into Single Units check box. In the Number of Units field, enter the number of units you want to split off from the main asset line. For example, if you enter 4, then 4 assets are split into one line and the remaining 6 assets stay attached to the existing asset line.
7. The Contract Details page opens.

- For splitting the asset into units, the Asset Number region displays a new automatically generated asset number line and the original, parent, asset number line. The number of units shown on each line reflects the number you chose. Click Update to edit the new asset description.

Optionally, click Serial Numbers. On the Serial Numbers page, select the individual asset units by serial number for the new asset line, for as many lines as specified by the Number of Units.

- For splitting assets into components, the Contact Details page displays a grid, where each line represents a new component. Search for and select a component item. Click Add Rows if you require more components. For each component, enter the required details: Asset Number, Asset Description, Split Percent (percentage of the total cost for the component).

Optionally, click the Serial Number icon. Select the serial numbers for the new asset.

8. Click Apply.

The Split Asset revision process completes. You do not need to run Billing programs.

Splitting Evergreen Assets

You can split evergreen and re-lease assets into units or components only if salvage value is not being depreciated in the evergreen or re-lease term. This is because fixed assets do not allow asset adjustments when salvage value is being depreciated. If depreciation is required in the evergreen term, you must define asset lives greater than the contract base term. If the asset life was set as the contract base term during contract authoring, you should update the asset life to a greater value when the contract converts to evergreen. During splitting, the following transactions take place:

	Finance Lease	Operating Lease
New Asset	<p>Evergreen and Re-Lease Assets:</p> <ul style="list-style-type: none"> Add new asset with zero cost with In-Service Date as of Contract Start Date. Write-up cost and depreciation reserve with the current Fixed Assets open period as the Amortization Start Date. 	<p>Evergreen and Re-Lease Assets:</p> <ul style="list-style-type: none"> Add new asset with zero cost with In-Service Date as of Contract Start Date. Write-up cost and depreciation reserve with the current Fixed Assets open period as the Amortization Start Date.
Old Asset	<ul style="list-style-type: none"> Evergreen Assets: Write-down old asset cost with Amortization Start Date as Off-Lease Date. Re-Lease Assets: Write-down old asset cost with Amortization date as of Release Date. 	<ul style="list-style-type: none"> Evergreen Assets: Write-down old asset cost with Amortization Start Date as Off-Lease Date. Re-Lease Assets: Write-down old asset cost with Amortization date as of Release Date.

The system automatically calculates a depreciation adjustment to ensure that after the split, the sum of the new and old assets accumulated depreciation matches the accumulated depreciation of the parent asset before the split. The adjustment is processed in Fixed Assets through an Unplanned Depreciation entry. The automatic unplanned depreciation adjustment is calculated and processed only if asset depreciation method is Flat Rate or Straight Line.

Stream Generation for Split Asset

When an asset is split into units and components, linked asset streams are generated only for asset lines sourced from the split asset.

Streams are not generated for the following:

- Asset lines not being split. This includes subsidy and fee streams associated to the asset lines not being split.
- Contract level fees which are not associated to an asset line.

The following procedure describes how to view streams generated for the impacted split asset.

Steps

Perform the following steps in the **Contracts** tab of the **Customers** page:

1. Search for the contract having the split asset.
2. Click the contract number.

Note: You can go to the **Configuration** tab in the **Contract** page to view the split assets.

3. In the **Contract** page, go to the **Summary** tab.
4. In the **Activation summary** region of the **Summary** tab, click the details icon corresponding to **Activate Contract**.
5. Search for the history streams in the **Streams** region of the **Activate Contract** page. To search, you can select the following options:
 - **Status:** Select **History**.
 - **Stream Level:** Select **Asset**.

The history streams for the impacted split asset are displayed.

Note: The non-participating asset in the split asset transaction does not have any history sets associated with it.

Associate and Delink a Service

Before you revise linked service and lease contracts, you must first delink them.

With the lease contract in context, on the **Revise contract** page, select **Associate a Service** as the revision type and click **Go**. The **Associate Service Contract** page appears, displaying the lease contract, the associated service contract, and the **Supplier/Vendor**.

1. Click **Delink**.

Delink stops service contract billing in Oracle Lease and Finance Management and reestablishes service contract billing in Oracle Service Contracts through the accounts receivable interface to Oracle Receivables.

2. Revise the lease contract, if necessary, by following the steps described through **Online Rebook**.
3. Revise the service contract, if necessary, in Oracle Service Contracts.

4. If you do not want to generate consolidated lease and service contract invoices, do not link the revised contracts. Run the Oracle Service Contracts billing process and the Oracle Lease and Finance Management Billing process independently.
5. If you want to generate consolidated lease and service contract invoices, follow the steps to link service contracts (see Set Up Service Lines, page 10-94). Linking the lease and service contracts automatically disables the interface between Oracle Service Contracts and Oracle Receivables, and consolidates the lease and service contract billing through Oracle Lease and Finance Management.
6. Run the Oracle Service Contracts billing. Run the Oracle Lease and Finance Management billing processes.

Mass Rebook

Mass Rebook Overview

Mass Rebook is the process of rebooking multiple contracts. Mass rebook allows you to search for contracts by combining certain parameters with operands to identify the contracts you want to rebook. You can subsequently change certain aspects of the contract through the same process. The rebooked contracts keep their original contract numbers.

Mass rebooking is also used in partial terminations and variable rate changes. Functionally, the results are identical to those of online rebooking, but in mass rebook no contract copy is created. Also, mass rebook further limits the parameters you can change on a contract and rebook.

The mass rebook process consists of the following two steps:

- select contracts to create a batch
- rebook all contracts in the batch with the newly-specified values

Mass Rebook Selection Criteria

Parameters you may use to select contracts that you want to mass rebook include:

- Contract Number- May be a range
- Contract Start Date-May be a range
- Tax Book-Must be a specific value, only
- Depreciation Method Code-Must be a specific value, only
- In Service Date-May be a range

- Asset Category-Must be a specific value, only
- Life in Months-Must be a specific value, only
- Basic Rate-Must be a specific value, only
- Adjusted Rate-Must be a specific value, only

You can narrow the search by using operands such as "LIKE," "BETWEEN," "=", and ">." There are two Criteria Value columns where you can enter criteria for your search, and another column for a specific Set Value. The Set Value will be the new value assigned to each contract in the batch during rebooking. For example, if you want to select a set of contracts that have start dates that fall within the range of a particular month, you can modify the search in the following manner:

Example of Mass Rebook Page

Criteria	Operand	Criteria From	Criteria To	Set Value
Contract Start Date	BETWEEN	01-May-2004	30-MAY-2004	-

Categories That Can Be Modified

There are four aspects of contracts that you can use the mass rebook functionality to change:

- Depreciation Method Code
- Life in Months
- Basic Rate
- Adjusted Rate

You can use the categories Depreciation Method and Date Placed In Service for both selecting which contracts to rebook, and also as entries to change during the mass rebooking.

Mass rebook revisions are typically a two-step process where you first create a batch request by using specified criteria to identify the contracts you want to rebook. Then you run the rebook request for all the contracts your criteria search has identified. You can specify those contracts from the list that you want to include in the mass rebook.

Note: All operands are case sensitive; use UPPERCASE, only.

Prerequisites

You must have booked contracts.

Creating Mass Rebook

Steps to Create Mass Rebook

Perform the following steps in the Mass Rebook page:

1. Click Create to create a new mass rebook request.

The Create Mass Rebook page opens where you enter your search criteria and the changes you want to make to the contracts that you are rebooking.

2. Enter the request number. The number can be any alpha-numeric combination you want. You can subsequently access the request using this number.
3. Specify the criteria you want to use to group your contracts for mass rebooking.
4. Click Next to update the contracts.

The Selected Contracts page appears. This page displays all the contracts that your request returned, based on your criteria.

- If you want to mass rebook all the contracts, click Next to enter the set values for these criteria.
- If you want to exclude some of the contracts, in the Selected Column, select the No value for all contracts you do not want to rebook and click Next.

By default, all contracts carry a Yes value in the Selected column.

5. Click Apply.

View Requests

From the Mass Rebook main page, you can search for previous requests by entering the request number.

You cannot edit any requests already submitted, because there may be processing already occurring against the contracts included in the mass rebook request.

Transfer and Assumption

Ownership changes and organizational restructuring may result in the need to change the lessee in lease contracts. This process of changing the lessee is known as Transfer and Assumption (T&A).

Changing the lessee may be required for the entire contract or a subset of asset lines. The original lessee is responsible for invoices with dates due before the transfer date. The transferred lessee becomes responsible for invoices due after the transfer date.

T&A requests must occur without affecting the accruals, amortizations and depreciation in the contract. There should be no accounting or pricing impacts beyond billing adjustments.

Oracle Lease and Finance Management enables you to:

- Transfer the contract from one lessee to another while preserving the integrity of contract financials.
- Change lessees in evergreen leases.
- Change borrowers in loan contracts.
- Transfer a subset of assets in the contract.
- Record T&As effective on past, present or future dates.

Transfer and Assumption Requests Process Flow

The T&A process flow includes:

- Creating a Transfer and Assumption Request: You can use the Request tab of Contract Modifications page to search for existing T&As requests or creating T&A requests.
- Updating the Transfer and Assumption Request: You can use the General and Additional Details tabs to update the request details. The Configuration tab displays the details of the assets which you have selected for transfer.

Note: Transfer Balance in the Configuration tab is an information-only field which displays the asset balance amount on the T&A effective date. It is calculated based on the user configurable formula `LINE_TRANSFER_BALANCE` according to the following contract book classifications:

- Operating Lease: Sum of rents due after the T&A effective date.
- Direct Finance Lease: Net investment balance
- Loans: Principal balance

If a contract is in Evergreen status, the value returned by the formula is zero. You can update T&A requests until they are submitted for approval.

Validation of the Transfer and Assumption Request

You must click the Accept button to launch the Validation process. The system performs the following two validation sets:

- The first set corresponds to Oracle Lease and Finance Management seeded validations.
- The second set is user-defined and derived from the validation set selected in the 'Transfer and Assumption Validations' system option.

Submitting the Transfer and Assumption Request for Approval

After the request is successfully validated, submit the request for approval from the Transfer & Assumption search results table.

Activating the Transfer & Assumption Request

After a request is approved, the request can be activated. The activation flow is based on the following transfer types:

- Complete Transfer
- Partial Transfer

Complete Transfer

When you select all the assets in the contract for transfer, the type of transfer is 'Complete'. This is also called as full Transfer and Assumption.

On requesting activation of a full T&A request, the following events take place:

- A new contract version is created.
- Insurance policies, if any, are cancelled.
- The lessee in the contract is automatically updated with the transferee information.
- The transferrer is added as a 'Previous Lessee' party.
- Third Party Insurance: If Third Party Insurance applies to the contract, either a new policy is created or the contract is linked to an existing policy associated to the new customer.
- Fixed Asset Location: If a new Fixed Asset location is provided in the request, it is updated on the contract.
- Asset Location in Install Base: The asset location is updated in Install Base.
 - A new asset location is created if the asset location in Install Base is not present for the new lessee.
 - If a new install location has not been specified on the request, then the system creates a party site as well as customer account site for the new customer for the

existing install location. The system also creates party site use of Install At and customer site use of Install At and Ship To for the new customer.

- Termination Quotes:
 - Any pending termination quotes which are not yet accepted are cancelled.
 - If termination quotes are already accepted, request activation is prevented and users have to cancel either the T&A request or the accepted termination quote.
- Credit Memos: Credit memos are generated for invoices already billed to the transferrer with invoice dates after the request Transfer Date. Credit memos will either be invoice-based or on-account depending on the 'Transfer and Assumption Billing Adjustments' system option.
- Invoices:
 - If invoices to the transferrer are credited, the same invoices are re-issued for the transferee.
 - Invoices in 'Entered' or 'Waiting for Consolidation' statuses will change to the 'Submitted' status.
 - The system will ensure evergreen billing streams are generated up to the transfer effective date.
 - If usage lines are present, the customer is updated in the associated service contract.

The contract's Collection Case in Oracle Collections is updated with the new customer.
- The activation completes without new streams, accounting events or asset transactions being generated. After the T&A completes, the following contract modifications are not allowed:
 - Termination effective before the T&A effective date.
 - Rebook changes to the contract effective from date or payments due before the T&A effective date.
 - T&A or product change revisions effective before T&A effective date.
 - Principal paydowns effective before T&A effective date.
 - Renewals or refinance effective on or before T&A effective date.

Partial Transfer

When you select only a sub-set of the asset lines on the contract, it is called a partial Transfer and Assumption.

On requesting activation of a partial T&A request, the following events takes place:

- A new contract is automatically created with the assets and transferee details defined in the request. The new contract Effective From Date is the same as the Transfer Date in the request. The asset amount for each transfer asset is calculated as follows:
 - Operating Lease: Present value of rent due after the transfer date plus the residual amount.
 - Direct Finance Lease: Net investment balance as of the transfer date.
- The new contract also contains the following items:
 - A subsidy line with the unamortized balance (as of the transfer date) of subsidies associated to the transfer assets, if any.
 - Configuration fee lines (if associated to the transfer assets) with the principal balance as of the transfer date.
- The new contract is not automatically activated but requires manual activation. This enables you to update the contract if needed.
- Upon activation of the new contract, the financial asset lines in the original contract are terminated with an effective date one day before the request's Transfer Date. Any subsidies or configuration fees associated to the transfer assets are also terminated and not accelerated.
- Credit memos are created for the transferrer if any invoices with dates after the transfer date have already been billed. Credit memos will be either invoice based or on-account depending on the Termination Billing Adjustments system option.
- In Oracle Assets, the transfer assets are de-linked from the original contract number and linked to the transferee contract number. Fixed asset locations are updated. No off-lease transactions occur as the result of the T&A.
- Any pending termination quotes for the transfer assets that have not yet been accepted are cancelled. If termination quotes are already accepted, request activation is prevented and users have to cancel either the T&A request or the accepted termination quotes.

Transfer and Assumption for Loan Contracts

For the Complete type of loan contracts, you can create Transfer and Assumptions requests.

Transfer and Assumption for Evergreen Contracts

You can create Transfer and Assumptions requests of type 'Complete' for evergreen contracts.

Define Billing Adjustments for Transfer and Assumptions

In the 'Transfer and Assumption Billing Adjustments' system option, you can define the type of credit memos to be generated for complete T&A in the operating unit. The options are:

- Standard: On account credit memos are generated.
- Invoice Based: Invoice based credit memos are generated.

Define Custom Validations for Transfer and Assumptions

In the 'Transfer and Assumptions Validation Set' system option, you can select a validation set for T&As in the operating units. The validations defined in the selected validation set are invoked when a request is accepted in addition to seeded validations.

Re-Lease Contract

Upon booking the new contract, if the Transfer Type is Complete (Full), Oracle Lease and Finance Management terminates the old contract automatically. If the Transfer Type is Partial, the old contract is rebooked automatically with the remaining assets.

When the assets are transferred, the credit line is adjusted. The Credit Line Details screen displays Total Transfers and Total Net Transfers.

Any subsidies on the old contract are processed based on the Subsidies Setup parameter, Transfer Basis: Acceleration (the subsidy is accelerated to the contract end) or Refund (the subsidy amount from the termination date to the contract end date is refunded to the vendor). You must add subsidies manually to the new contract.

As part of the termination processes of the original contract, Oracle Lease and Finance Management determines the amounts to be accrued up to the termination date for all accrual streams with the actual amounts. Any difference is adjusted.

Part 6

Invoice to Receipt

Billing Overview

Billing is the process of claiming amounts due from customers on their lease and loan contracts. Billing charges for rent, fees, and services are processed to include taxes and generate accurate accounting transactions. Documents called invoices or statements of account are created as a notice to the customer for payment.

Compliance with regulatory tax and accounting requirements and efficient collection of payment is essential in this process. Clear presentment of billing charges on invoices is necessary to meet internal billing policy and procedures while making the payable process easy for customers to make prompt and correct payments.

The Oracle Lease and Finance Management billing process consists of the following topics:

- Billing Transactions
- Options to Generate and Present Invoices
- Create Invoices
- View and Adjust Invoices

Billing Transactions

To begin the billing process, you first determine amounts to be billed, then you process options to format and present invoices in Oracle Lease and Finance Management, then Create Invoices, and finally you View and Adjust Invoices. An active contract in the status described below defines the payment schedule and streams for rent, fees and services to be billed.

Although the processing of billing data from different billing sources varies, every billing transaction of each billing type results in a record in Oracle Lease and Finance

Management. The main billing data consists of the following data items:

- Stream type, such as Rent, Insurance
- Amount
- Item Type
- Item number, as stored in Oracle Inventory
- Customer information, as stored in Oracle Receivables

The following table describes types of billing that financiers may need to bill their customers for and the Oracle Lease and Finance Management concurrent programs used to process the billing.

Types of Billing

Type of Billing	Description	Concurrent Programs
Contractual Amounts	Billing charges for use of equipment, fees, or services specified on the contract. Contractual amounts are charges defined in the contract to be paid on specific dates in a payment schedule.	Master Program - Process Billable Streams - Contract
Event Based	Billing charges or credit calculated as events occur based upon contract terms and conditions. Event based charges that may be specified in the contract include, but are not limited to, adjustments when the contract is revised or rebooked, quote fees for a repurchase quote, and contract obligations when a contract is terminated early.	Master Program - Process Billable Streams - Contract
Variable Rate	Lease or loan contracts are linked to an index that defines the interest rate used to calculate the charge for interest payment.	Create Receivables Variable Rate Invoices

Type of Billing	Description	Concurrent Programs
Usage Billing	Billing charges for use of equipment based on counters or meters, for example, the number of clicks or sheets used by a copier, the number of miles driven by a vehicle, or the number of hours of use by a machine.	Usage Based Billing
Service Contract	Lease or loan contracts are linked to service contracts that process maintenance charges to be billed and combine these service amounts with the contractual amounts on a single invoice.	Service Contracts Billing
Service Contract	Lease or loan contracts are linked to service contracts that process maintenance charges to be billed and combines these service amounts with the contractual amounts on a single invoice.	Usage Based Billing
Usage Based	Billing charges for use of equipment based on counters or meters, for example, the number of clicks or sheets used by a copier, the number of miles driven by a vehicle, the number of hours of use by a machine.	Service Contracts Billing

Type of Billing	Description	Concurrent Programs
Policy Based	Billing charges calculated as events occur based upon policies specified in contract terms. Policies that may be specified in the contract include, but are not limited to, late charges or late interest when payments are late, interest charges when funding is disbursed prior to contract booking, and evergreen billing after the contract expires.	Calculate Late Interest & Calculate Late Charges
Manual	Ad hoc charges based on new events or circumstances that are not billed automatically based on contract payment schedule or terms and conditions.	None When you create a Manual Invoice, the Master Program – Receivables Invoice Transfer program sends billing information to Oracle Receivables
Advance Billing	Advance billings are for payments received before the contract is booked. Running the Advanced Billing concurrent program creates an invoice to which the payment can be applied.	Advance Billing
Future Pay	Future Pay can be used to reserve receipt amounts of future invoices for a contract, or a contract and stream type. Running the Future Pay Sweep program applies allocated amounts to invoices of a contract.	Future Pay Sweep
Evergreen	When an evergreen contract expires, contractual billing discontinues and evergreen charges are billed in Evergreen Billing	Evergreen Billing

Type of Billing	Description	Concurrent Programs
Investor Agreement	When an investor agreement is activated, you can bill the investor for their stake and fees defined in the agreement.	Master Program – Process Billable Streams – Investor Agreement
Taxes	Billing charges for property tax and upfront tax and generation of VAT schedules. Upfront taxes are charges over the expected life of the contract that are payable to tax authorities when the contract is booked.	None Oracle E-Business Tax calculates tax based on billing information exported from Oracle Lease and Finance Management to Oracle Receivables.
Third Party	Billing charges imported from third-party files containing charges that you want to bill the customer and pass through to the third-party. For example, you may want to import and bill for a county's property tax liability, a bank's non-sufficient funds charge, or a vendor's maintenance fee and pass the receipts back to the third-party.	Third Party Billing

Bill Contractual Amounts

Billing for contractual amounts consists of billing charges for use of equipment, fees, or services specified on the contract. Contractual amounts are charges defined in the contract to be paid on specific dates in a payment schedule.

The contractual amount billing process begins by first determining the amounts to be billed, then processing the options to format and present invoices in Oracle Lease and Finance Management. After invoices are formatted and presented, you can create invoices and view and adjust the invoices.

Oracle Lease and Finance Management identifies customers for automatic billing based on the stream types to be billed, the due date for a payment, and the number of print lead days. Print lead days are the number of days before the invoice due dates that you can generate an invoice.

Bill Contractual Amounts Prerequisites

Before you can begin the bill contractual amounts process, you must have an active contract with terms and conditions that define amounts and formulas to calculate billing charges when events occur and a payment schedule with billable streams.

For more information on creating terms and conditions on a contract, see [Contract Authoring](#)

Bill Contractual Amounts Procedures

The following table describes the billing process for contractual amounts using periodic billing. A request set has been seeded called Lease Billing. The Lease Billing request set is comprised of the three concurrent programs listed below.

Billing Contractual Amounts Process

Step	Description	Application
Book Contracts	Book contracts with terms and conditions with billing information, and payment schedules for rent, services and fees.	Oracle Lease and Finance Management
Run Master Program - Process Billable Streams - Contracts	This program is used to process the stream elements to create the billing transactions in Oracle Lease and Finance Management.	Oracle Lease and Finance Management
Run Master Program - Receivables Invoice Transfer	This program is used to process and transfer Oracle Lease and Finance Management billing transactions to the AR Invoice Interface table	Oracle Lease and Finance Management
Run AutoInvoice Master Program	This program imports the billing information into Oracle Receivables and creates an invoice with invoice lines.	Oracle Receivables

To enable contractual billing, you must run the Master Program - Process Billable Streams - Contracts concurrent program. After this concurrent program is active, the process of selecting which contracts and items to prepare for billing is completely

automatic. Oracle Lease and Finance Management identifies customers for automatic billing based on the stream types to be billed, the due date for a payment, and the number of lead days. Lead days are the number of days before the invoice due date that you can generate an invoice.

Similarly, if you require usage-based billing, all the necessary background processing automatically runs and generates the excess usage billing data. For usage-based billing items where you want to level-out counter readings across individual counters, you must set up one or more consolidated counter groups.

Run Master Program - Process Billable Streams – Contracts

The Master Program - Process Billable Streams - Contracts concurrent program identifies contracts with streams due for billing and creates billing items. See Concurrent Programs, page B-1.

Event Based Billing

An active contract with defined terms and conditions determines the amounts and formulas used to calculate billing charges when events occur.

Event based billing occurs when billing is charged or credit is calculated as events occur based upon contract terms and conditions. Event based charges that may be specified in the contract include, but are not limited to, adjustments when the contract is revised equipment is repurchased by the vendor, and contract obligation amounts billed when a contract is terminated early.

Event Based Billing Prerequisites

An active contract with defined terms and conditions determines the amounts and formulas used to calculate billing charges when events occur.

Event Based Billing Procedures

To enable event based billing, run the Master Program - Process Billable Streams – Contracts concurrent program. After this concurrent program is active, Oracle Lease and Finance Management selects contracts and items to prepare for billing automatically based on the event. Oracle Lease and Finance Management identifies customers for automatic billing based on the stream types to be billed, the due date for a payment, and the number of lead days. Lead days are the number of days before the invoice due date that you can generate an invoice.

Similarly, if you require usage-based billing, Oracle Lease and Finance Management automatically processes and generates the excess usage billing data. When you create usage-based billing items and want to level counter readings across individual counters, you must set up one or more consolidated counter groups.

Run Master Program - Process Billable Streams – Contracts

The Master Program - Process Billable Streams - Contracts concurrent program

identifies contracts with streams due for billing and creates billing items. See Concurrent Programs, page B-1.

Variable Rate Billing

One of the parameters of a contract is the interest type upon which you base the contract. Examples of contract interest rate types include fixed rate interest and variable rate interest. In the case of variable rate contracts, there are several additional parameters you enter when you book or restructure a contract. The most important of these parameters identifies how you calculate the interest as a result of the change in rate.

The four methods for handling the interest adjustment are:

- **FLOAT** - Uses internal simple interest calculation to calculate interest, or the formula defined during the booking process to calculate an interest adjustment. This interest adjustment billing is in addition to the principal billed.
- **REAMORT** - Calls the stream generation tool to calculate new rental and income streams. With this method, you can have only level payment contracts—for example, monthly, quarterly, semi-annually, or annually.
- **FLOAT FACTOR** - Calculates interest using float factor streams for a lease contract with floating factors.
- **CATCHUP/CLEANUP** - Uses catchup of interest on a contract and is calculated periodically separate to the periodic interest billing cycle. Actual interest is recalculated periodically, resulting in the cleanup of principal.

When you perform billing for variable rate contracts, Oracle Lease and Finance Management automatically evaluates the interest rate basis linked to the contract for any increases or decreases in the effective interest rate. If the applicable rate changes, the billing process automatically calculates and bills the appropriate amounts. The interest calculation basis defined on the financial product associated to the contract computes the revised interest or loan payment amounts.

Variable Rate Billing Prerequisites

Before you can execute the variable rate billing process, the following prerequisites apply:

- The interest index associated to the contract should be updated.
- The interest rate parameters should be defined on the contract.

Variable Rate Billing Procedures

To process billing for variable rate interest contracts, run the following concurrent programs:

1. Create Receivables Variable Rate Invoices
2. Master Program - Process Billable Streams – Contracts
3. Master Program - Receivables Invoice Transfer
4. AutoInvoice Master Program

For more information on variable rate in Oracle Lease and Finance Management, see Variable Rate.

The following table describes the Variable Rate billing process.

Variable Rate Billing Process

Step	Description	Application
Create Receivables Variable Rate Invoices	The interest or loan payment amounts are computed and the stream elements are created or revised in Oracle Lease and Finance Management.	Oracle Lease and Finance Management
Run Master Program - Process Billable Streams - Contracts	This program is used to process the stream elements to create the billing transactions in Oracle Lease and Finance Management.	Oracle Lease and Finance Management
Run Master Program - Receivables Invoice Transfer	This program is used to process and transfer Oracle Lease and Finance Management billing transactions to the Oracle Receivables Invoice Interface table.	Oracle Lease and Finance Management
Run AutoInvoice Master Program	This program imports the billing information into Oracle Receivables and creates an invoice with invoice lines.	Oracle Receivables

Run Create Receivables Variable Rate Invoices

The Run Create Receivables Variable Rate Invoices concurrent program performs the

following tasks:

- Identifies contracts set up with variable rates
- Identifies if a change in interest occurred
- Generates bills at the new interest rate

Run the **Create Receivables Variable Rate Invoices** concurrent program after entering the following parameters:

- Contract Number
- As of Date
- Deal Type: The values for this parameter are:
 - Leases and Loans: Direct Finance Lease, Operating Lease, Sales Type Lease and Loan book classifications
 - Revolving Loans: Loans of Revolving book classification
 - All: All book classifications

The program is run for contracts only associated with the selected product type. The default value is **All**.

For more information on this and other concurrent programs, see Concurrent Programs, page B-1.

Usage Based Billing

Equipment lessors often include metered equipment in their asset portfolio. Metered equipment, such as copiers, can be charged on a usage basis during the lease term. Usage Based Billing (UBB) enables equipment lessors to calculate the amounts to bill based on usage of the equipment.

Billing charges for use of equipment is based on counters or meters. Examples of UBB include the number of clicks or sheets used by a copier, the number of miles driven by a vehicle, or the number of hours of use by a machine.

When you author and book a lease contract with a usage service line, Oracle Lease and Finance Management automatically creates a contract in Oracle Service Contracts and links it to the Oracle Lease and Finance Management contract. When you enter meter readings to record usage, Oracle Service Contracts calculates the usage based billing amounts. Then, when you run the Oracle Lease and Finance Management billing processes, Oracle Receivables generates a consolidated usage service invoice.

Usage Based Billing Setup

Before you can use Usage Based Billing in Oracle Lease and Finance Management, you must complete all required set up tasks. For information on set up for UBB, see *Oracle Lease and Finance Management Implementation Guide*.

Usage Based Billing Procedures

The following table describes the UBB billing process.

Event	Description
Author a Contract	Author a contract with UBB as the billing method and create a usage line.
Service Contract	Once a Oracle Lease and Finance Management contract is booked, a service contract is automatically created in Oracle Service Contracts Manager.
Enter Meter Reading	In Oracle Service Contracts Manager, enter the meter reading.
Generate OKS Billing	To generate billing in Oracle Service Contracts Manager, run the OKS: Service Contracts Main Billing concurrent program, which calculates billing and creates transactions in Oracle Service Contracts Manager.
Transfer OKL Billing	To transfer the billing data to Oracle Lease and Finance Management, run the OKL: Usage Based Billing concurrent program, which transfers your Oracle Service Contracts Manager data to Oracle Lease and Finance Management and creates transactions.
Generate OKL Billing	To generate billing in Oracle Lease and Finance Management, run the following concurrent programs: Master Program - Process Billable Streams – Contracts; Master Program - Receivables Invoice Transfer; Autoinvoice Master Program.
View Invoices	To view the new invoices, navigate to Operations > Invoices and enter the contract data.

Event	Description
Termination	To terminate the contract you must terminate both the Oracle Lease and Finance Management version and the Service Contracts Manager version.
Inquiry	You can view the Meter Reading History and Billing History for a UBB contract in the Lease Center, Customer Self Service, and Vendor Self Service.

Meter Usage Service

Meter Usage Service consists of billing and collection of the fees for a service based upon usage of output (copies, hours, and so on) or number of units of delivered service (number of hours, number of events). The amount billed, while based on usage, is not for usage, but for the service being provided. The usage is tracked as a basis for calculating the billing amount. The usage is counted, sometimes using a meter, to determine the usage quantity. The values of the pricing sheet are applied to the usage quantity to determine the usage fees to be billed and collected. The pricing sheet may include both an allowance (a minimum usage included in a base price) and an arrange rate (the amount charged per UOM of usage quantity) for any usage quantity amount used in the usage period over and above the allowance provided.

Metered usage service can be combined with metered usage rentals into a bundled usage-based solution wherein all rental and service is billed as a single charge per unit of usage quantity (can include an allowance) and the components of service and rental are separated later and disbursed to the solution providers. The amounts collected for a metered usage service may be retained by the lessor or passed through to the service vendor, depending upon which partner delivers the service to the end user.

Consolidated Group

A consolidated group is required when the metered usage line is priced to apply rates to the usage quantities for multiple serviced asset meters. You can define a consolidated group separately from a contract. The consolidated group should be setup to a specific customer. For the group, all of the pricing structure (price list values), billing information and a usage schedule should be captured. The pricing and billing information from the consolidated group takes precedence over anything defined on the contract for the usage line.

Once the consolidated group is created, it can be selected, in place of a pricing structure template when creating a usage line. Each serviced usage asset that contributes to the group must be associated with the consolidated group pricing setup. You cannot override pricing information defined in the consolidated group. Each serviced usage

asset must have all of the other counter information assigned. Only the pricing structure with the defined pricing tiers and the usage service schedule is derived from the consolidated group.

Manage Consolidated Counters During Rebook

You can manage consolidated counters during rebook by performing the following actions:

- Moving a counter from one group to another group
- Moving a counter from a group to a single counter
- Moving a single counter to a group
- Adding a new counter to a group
- Removing a counter from a group by termination

Before any of the counters are moved, you must terminate assets associated to the usage line during rebook by providing an end date for the **Termination Date** (one day more than the end of usage period). There must be no gaps between the termination date and end of usage billing period. If there are gaps or overlapping dates, an error is displayed. You must correct the termination date before completing the rebook process. For information on terminating assets, see "Terminate Assets Associated to Existing Usage Lines During Rebook" in this chapter.

You can navigate to an existing usage line and associate the asset that was terminated to either a group or single counter. Meter reads entered for that counter are associated to the new group or single counter. When the next billing is run, the counter that was moved is associated to the new group or single counter.

Service Only Metered Usage Contract Lines

Service only contract lines are those where the assets associated to the metered usage service line are owned by the customer. The assets may have been bought out during a termination in Oracle Lease, or entered as lessee owned asset that the vendor is servicing and pricing based on metered usage. These assets are not financed. Enter them in the **Configuration** tab during authoring.

- The asset cannot have any financing information associated to it directly, such as rental or loan payments, depreciation or tax information (including property taxes). Only the service usage billing amounts are financially relevant, such that the cost of the asset is not included in any pricing calculations or profitability measures, including during termination of the service line.
- The serviced asset can be a terminated asset from another contract that was purchased as part of the termination.
- The contract may include both owned and financed assets for the purpose of

specifying metered usage services.

- All asset details required to capture and apply usage quantity and pricing information must be established for the asset, including a vendor and vendor party information, location, serial numbers, and so on.
- The meters associated to service-only assets as part of the metered usage service line can be in a consolidated group and use the group pricing.
- The billing amounts of the usage line can be passed through to vendors like any other service usage line which is financed.
- The billing amounts for service-only assets can be combined with billings from other assets, including financed assets, on the same contract (or across contracts for consolidated billing).
- The lines can be terminated as any other service usage line.

Manage Usage Lines During Rebook

For metered usage services, you can change the usage passthrough details and add an asset to an existing usage line when a rebook is activated.

Create Usage Lines During Rebook

You can create usage lines during rebook. You can also associate assets to the new usage line. For information on creating usage lines and associating assets to the new usage lines, see *Set Up Usage Lines*, page 10-101.

You can perform the following tasks on the new usage lines:

- Adding assets from an existing UBB enabled asset to the usage line.
- Removing assets from the new usage line if you do not want to commit an added usage lines and its details. Assets can only be removed before completing the rebook process.
- Updating the usage line before activating the rebook. You can update the following attributes in the new usage lines:
 - Base term and evergreen term
 - Vendor details
 - Payout details
 - Associating assets

The new usage line and its associated information are added when the rebook is activated.

Update Existing Usage Lines During Rebook

You can update an existing usage line during rebook by clicking the **Update** button for that existing usage line. On the **Update Usage** page, you can update the following usage line attributes:

- Period
- Number of Periods

You can extend the usage line during rebook by increasing the number of periods for the usage line. For example, if the contract's initial term was for 12 months and it has been extended for 18 months, you can extend the usage line by increasing the number of periods for the usage line.

- Allowance: This only takes place on next billing
- Do Not Bill in Evergreen flag

Once the billing has been processed for the usage line, you cannot change the period and number of periods.

Note: Usage effective from and effective to dates are read-only fields on the usage line. The effective from date will be based on the start date of the usage line or the revision date when the contract is rebooked. The effective to date will be derived based on the usage line periods (or frequency) and the number of periods.

Terminate Assets Associated to Existing Usage Lines During Rebook

You can terminate an asset associated to a usage line during rebook by providing an end date for the **Termination Date**. Perform the following steps in the **Usage** region of the **Additional Charges** subtab:

1. Enter the usage search criteria and click **Go**.
2. Click the **Usage Asset** icon for an existing usage line.
3. Enter an end date for the **Termination Date** of an associated asset of that usage line.
4. Click **Apply**.

Once the rebook process is completed, the status of the associated asset is **Terminated**. The termination date for the usage line that has been terminated during rebook is displayed.

Note: You can enter meter readings and run the billing for the last few usage periods even after the counter line has been terminated.

Meter (Counter) Readings

Meter readings are captured for metered usage services in order to bill and collect from end user customers. They are collected from a variety of sources with varying levels of automation and capabilities. Meter readings are captured using the following methods:

- Automatic upload directly from the meter on a pre defined or requested date, for example, period of usage end date or termination date.
- Automatic upload from a service vendor system where readings have been entered (scanned or uploaded) and associated to vendor invoices by the service vendor.
- Batch upload through a spreadsheet or common file format (the format should be downloaded, filled in, and uploaded) by a service vendor or end user customer from a common portal. This includes a direct scan from metered equipment into the portal.
- Upload from a spreadsheet by an internal user from a submitted vendor file or report.
- Manual entry on to a meter reading transaction for a specific asset or meter combination either by a service vendor, customer, or internal user.

The capture of a meter reading includes:

- Contract
- Customer
- Asset (by serial number)
- Meter
- Date of reading
- Usage period of reading
- Usage quantity or meter read value: The reading is entered either as a usage quantity, in which case the implicit meter reading value is calculated, or as a meter reading value, in which case the usage quantity is calculated. Usage quantity is calculated by deducting prior reading from the current reading. If there is a credit adjustment due to the maintenance on equipment, this adjustment is deducted from the current reading along with the prior reading. For example, if the current reading is 500, the prior reading is 100, and the credit adjustment is 50, the usage quantity is (current reading minus prior reading) minus credit adjustment, which is (500 minus 100) minus 50, which equals to 350. Prior adjustments are also considered while calculating the usage quantity.

- Usage credits: These are units that are not chargeable to the end user customer and associated to some service or maintenance activity performed by the service vendor. These are deducted from the total billable usage quantity.
- Initial readings at the counter level: If the initial reading is not defined, then the source will derive the reading from the base reading on the usage based billing page.

You can capture meter reads as follows:

1. Identify the counter or meter for which the meter reading applies. This can be done manually by searching for a meter and entering the values or providing the identifying information for any meter reading record in a spreadsheet (for upload) or through electronic transmission.
2. Select the period of usage. This can be more than one if a previous reading was missed, for which the reading applies is selected or specified with the meter reading record if not entered manually.
3. Enter the reading values and verify them. You may need to view meter history, validation warnings or errors, or calculated values, such as usage quantities and billing amounts and dates if needed, to verify the reading.
4. Save or submit the reading record. The period of usage is marked appropriately to indicate the reading for the period has been captured. The calculated billing amount becomes eligible for billing on the due date.

Meter Search

You can search for meters for viewing meter reading history or entering a meter reading. From the Search Results list, you can create and enter a new meter read record, open and view the prior meter reading history.

Entering Meter Reads Manually

You can enter a meter read manually from the **Search Results** table or the **View Meter History** page. If the meter read is incorrect or invalid, you can make the correction based on the error or warning and re-validate or save and submit.

Importing or Uploading Meter Readings

You can import or upload multiple meter readings from a single file. To prepare the upload or import meter readings, you can download a spreadsheet format to enter the meter read data. The meter read must have a corresponding period of usage. You can upload from the following locations:

- Vendor Self Service
- Operations menu of the seeded OKL menu
- Available as a pluggable service for use in a user configured or customized portal

Validating Meter Readings

For validation, in addition to the seeded validations that insure consistent and valid data, you can setup defined error or warning conditions and set the warning and error levels. During manual entry, you can request for validations or submit to run the validations. For the upload or service based entry, you can receive errors and warnings report (internal or external user entry) upon request. In addition, you can setup and define the following validations:

- Validation short name
- Effective From or To Dates
- Warning or Error Level
- Package or Extension
- Read Type
- Stream Types

The defined validations are executed for each meter reading entered. If you upload a reading batch, the validations are available as a log file that can be saved and stored locally.

Note: A record can be submitted and recorded with warnings, but not errors.

Missing Meter Readings

A missing meter read is defined as any period of usage with no meter reading on its billing due date. For missing meter reads, an estimate or minimum reading is used to generate the billing and is then adjusted when the actual meter reading is available. Otherwise, the period is not billed and when the next meter read is entered, all previous missing periods are billed together with the reported read period.

To enter a meter read for a missing period, select the period of usage for the missing meter read. If the period is not eligible to be adjusted, it is recorded as read only and the appropriate indicator is made on the period of usage. If the actual reading triggers an adjustment, the period is marked for adjustment, and is processed on the next billing due date (or during a termination if it occurs first).

Using an Estimated or Default Usage Quantity for Missed Readings

Use the Estimation Method to assign a usage quantity for any period with a missing meter reading on the period's billing date. Capture the usage quantity based on the Estimation Method defined in the terms:

- **Minimum Quantity:** Use the minimum quantity setup in the terms and conditions for the usage line.
- **Average Quantity:** Use the average value of all previous period usage quantities.

- **Estimated Quantity:** Allows you to enter a meter read as an estimate. The actual reading can be updated later.

If the Estimation Method is set as none, estimated usage quantity is not used for billing. Any allowance defined for appropriate pricing structure for the period is accrued to the allowance of the next period. Once a valid actual meter reading is applied to the correct usage period, the period billing amount is recalculated and the billing adjustment is processed. That period of usage is then marked as complete.

Bill for Metered Usage Service Lines in Evergreen

Billing for a metered usage service depends on an accurate meter reading and a unit-rate based pricing structure to calculate the correct usage charges. The service contract may also have a flat periodic amount in the billing schedule in addition to any rate based usage charges. The rate based usage must be calculated for the specified period of usage based upon a meter reading at, or close to, the end of the period that determines the usage quantity. Billing must continue for metered usage service lines in the IPR/evergreen term unless the contract line is ineligible for IPR. You can define on the contract line if it is eligible for IPR/evergreen separately from the usage asset or the contract. In such cases, billing must continue for metered usage service lines in the IPR/evergreen term unless the contract is ineligible for IPR.

When the financing contract enters into evergreen status, and the metered usage service line is eligible, the Service Contract is also renewed using the same number of months defined for the base term as the term of the renewed contract. The contract start date defaults to +1 day after the original contract end date. The periods of usage will continue on +1 day after the end of the contract base term and use the same frequency as base term. The last meter read must be entered for the last period of usage of the base term in order for the contract to go into IPR.

Meter reads must be captured for period of usage in the IPR term in order to generate billing charges. Any rate changes specified in the price structure dated on the end date of the contract line or any dates that occur during the IPR period are used to calculate the billing amount when the contract line enters the IPR period. Otherwise, the same rate used in the final period of the base term is used.

Each period of usage that occurs in the IPR term is maintained in the same manner as the base term without terminating the metered usage service line.

Service Contract Billing

Many financiers have multiple business units that provide service as well as financial services and want to use the full functionality of Oracle Service Contracts while consolidating their billing for service and lease. You can author a service contract and link to the lease contract in Oracle Lease and Finance Management and consolidate the service and lease charges on one invoice. After running billing in Oracle Service Contracts and Oracle Lease and Finance Management, Oracle Receivables generates a consolidated invoice on the two contracts.

Service Contract Billing Prerequisites

You must have created a service contract in Oracle Service Contracts, created a lease contract and linked the two in Oracle Lease and Finance Management. You must run the Oracle Service Contracts main billing program after meeting the following prerequisites:

- For each service line, an asset line in the lease contract is associated with a covered product inventory item in the corresponding service contract
- Both contracts are for the same customer
- Both contracts have the same Bill To information
- Both contracts have the same contract currency
- The date ranges of both contracts must overlap; that is, either all or some of the effective days of one contract must be all or some of the effective days of the other contract

Service Contract Billing Procedures

When you author a lease contract and want to consolidate billing from a service contract on the same invoice, create a service contract in Oracle Service Contracts that meets the prerequisites. Then, when you author the lease contract, go to Additional Charges and select the pull-down menu Create Service from Service Contract.

In the Contracts screen you can select Service Contract as the payment type and supplier. Click Apply to link the lease contract to the service contract. When you run the billing for the service in Oracle Service Contracts, the billing charges will not be sent to the Oracle Receivables interface table.

When you run the Service Contracts Billing in Oracle Lease and Finance Management, the service contract billing information is associated with the lease contract. Then, when you run Master Program – Receivables Invoice Transfer in Oracle Lease and Finance Management, the service contract and lease contract billing information are sent together to the Oracle Receivables interface. The consolidated lease and service invoice is generated when you run the Oracle Receivables Master Import Program.

Policy Based Billing

Financiers want the flexibility to initiate billing charges to control policies that discourage late interest and principal payments.

Policy Based Billing Prerequisites

Before you can execute policy based billing processes, you must book contracts with terms and conditions that define the billing parameters.

Policy Based Billing Procedures

Late Interest Billing

Late payments may be subject to a late interest charge. The Late Interest policy determines the late interest charges.

For more information, see the Define Late Charges Parameters, *Oracle Lease and Finance Management Implementation Guide*.

Run Calculate Late Interest

This concurrent program identifies late payments, calculates interest, and generates bills for Oracle Receivables. See Concurrent Programs, B-1.

Late Charges Billing

If a previous invoice still has a balance outstanding, late charges may apply. The Late Charges policy determines the late charges amount. The late charges amount is either a flat fee or a percentage of the total invoices past due, depending upon the setup configuration.

To begin the calculation of the late charges, you must start the Calculate Late Charges concurrent program. This program evaluates all outstanding invoices to identify the invoices past their grace period and where the late charges are not placed on hold for the contract. After the program identifies a delinquent invoice as eligible for late charges, the penalty automatically applies, based on the rules in the late policy.

For more information, see the Define Late Charges Parameters, *Oracle Lease and Finance Management Implementation Guide*.

Run Calculate Late Charges

This concurrent program identifies past due invoices, calculates late charges, and generates bills for Oracle Receivables. See Concurrent Programs, B-1.

You must have created a late charges policy.

Manual Billing

Financiers may want to charge for services or commodities that are not processed automatically. For example, suppose you receive a registration fee related to a contract. As you pay the appropriate vendor for this expense, you may also want to charge the lessee in order to recover your money.

Manual Billing Procedures

The following table describes the Manual Billing process required to create a manual invoice and recover your expense:

Step	Description	Application
Create Manual Invoice Header & Lines	Create a manual invoice with the required billing information.	Oracle Lease and Finance Management
Master Program - Receivables Invoice Transfer	This program is used to process and transfer Oracle Lease and Finance Management billing transactions to the Oracle Receivables Invoice Interface table.	Oracle Lease and Finance Management
AutoInvoice Master Program	This program imports the billing information into Oracle Receivables and creates an invoice with invoice lines.	Oracle Receivables

Create Manual Invoice Header

To create a manual invoice header, perform the following steps in the Manual Invoices subtab of the Operations tab:

1. Navigate to **Operations > Manual Invoices**
2. Click Create Manual Invoice.
3. Select the Operating Unit.
4. Select the Contract Number for which you are billing ad hoc charges.
5. Enter the Transaction Number.
6. Enter the Invoice Date.
7. Enter the Invoice Amount.

Create Manual Invoice Lines

In the Manual Invoice Lines region, enter assets (optional), fee type details, and the amount for each manual invoice line. You can enter multiple invoice lines for a manual invoice.

1. Select the Fee Type.

2. Select the Asset Number.
3. Optionally, enter a Description for the fee.
4. Enter the Amount for the asset on the invoice line.
5. If you want to create more manual invoice lines, click **Add Another Row**, and repeat the previous steps; repeat this for each required manual invoice line.
6. After you have entered all the manual invoice lines, click **Recalculate**. After you click the **Recalculate** button, the Line Amount is displayed in the Grand Total region. The Line Amount displays a total of all the invoice line amounts and must equal to the invoice amount entered on the Manual Invoice header.
7. Click **Apply**. After you click **Apply**, the Manual Invoice is created with the Transaction Number as the Manual Invoice Number.

Searching for Manual Invoices

You can find manual invoices by performing a list search in the **Manual Invoices** tab of the **Operations** page. List search is a search tool that helps retrieve information quickly and easily.

Perform the following steps:

1. Click **Show Filters**.

Note: You can hide filters by clicking **Hide Filters**.

2. Select the objects using the following filters:
 - Operating Unit (mandatory field)
 - Transaction Number
 - Contract Number
 - Customer Name
 - Bill To Site
 - Invoice Date: This field uses a range of date.
 - Currency
 - Status: You can select multiple options for this filter.

You can also include additional filters by clicking **Add** and selecting a filter.

Note: You can remove the additional filters from the search criteria by clicking the remove filter icon next to each added criteria.

3. Click **Go**.

The search results are displayed.

You can save searches by performing the following steps:

1. After selecting filters, click **Save**.
2. Perform the following actions in the **Create Saved Search** region:
 - Perform the following actions in the **Create Saved Search** region:
 - Select the **Display in Tile** checkbox to display a tile having this search's details in the **Manual Invoices** tab.

Additional Information: Tiles display the count of search records for the defined search filters. This count can be refreshed by clicking the refresh icon present on each tile. Clicking on a tile will show the filters selected for this saved search.

- Select the **Set as Default** checkbox to make a saved search as the default search.
- Click **OK**.

Even if a saved search is not saved as a tile, it will be displayed in the drop down beside **Show Filters/Hide Filters**. You can manage saved searches by clicking **Manage Saved Search** in this drop down.

Note: You can disable list search using the **Disable List Search** button in **Table Diagnostics**. After disabling list search, you can find manual invoices by performing either a simple or advanced search.

A simple search on the **Manual Invoices** tab includes the following parameters:

- Operating Unit (mandatory field)
- Transaction Number
- Contract Number
- Customer Name

- Bill To Site
- Bill Date From
- Bill Date To
- Currency
- Status

An advanced search allows you to expand or refine their search criteria.

Advance Billing

Financiers often require deposits or payments from customers to cover fees and services before a contract is activated. You can improve customer service by creating advance receipts against contracts before activation or during the contract life. You create a manual receipt, select the Application Criteria, Advance, select the contract and run the Advance Billing concurrent program. When you run the billing programs, Oracle Lease and Finance Management automatically creates an invoice and applies the receipt.

Advance Billing Prerequisites

Receive payment before a contract is activated.

Advance Billing Procedures

The following table describes the advance billing process.

Advance Billing Process

Step	Description	Application
Create Manual Receipt Header & Application Criteria	Create a manual receipt and select the Application Criteria, Advance.	Oracle Lease and Finance Management
Advance Billing	Run the Advance Billing concurrent program to apply payments received before the contract is booked and create an invoice to which the payment can be applied.	Oracle Lease and Finance Management

Step	Description	Application
Master Program - Receivables Invoice Transfer	This program is used to process and transfer Oracle Lease and Finance Management billing transactions to the Oracle Receivables Invoice Interface table.	Oracle Lease and Finance Management
AutoInvoice Master Program	This program imports the billing information into Oracle Receivables and creates an invoice with invoice lines.	Oracle Receivables

When payments are received before a contract is activated, create a manual receipt in Receipts under the Operations tab. In the Application Criteria, select Advance from the pull-down menu in the Criteria field. Oracle Lease and Finance Management will display a field to enter the Contract Number. The contract can be active.

Run the Advance Billing and Master Program - Receivables Invoice Transfer concurrent programs to transfer the advance billing information to Oracle Receivables that creates an invoice and applies the receipt.

Future Pay

You may be required to reserve receipt amounts of future invoices for a contract, or a contract and stream type. You can create future payment of receipts against contracts. You can reserve receipt amounts fully or partially.

Create Future Payments

The following table describes the process for creating future payments.

Future Pay Process

Step	Description	Application
------	-------------	-------------

Create manual receipt and
select application criteria

Create a manual receipt in
Receipts under the
Operations tab. In the
Application Criteria region of
the **Create Manual Receipt**
page, select **Future Pay** from
the drop-down menu in the
Criteria field.

Oracle Lease and Finance
Management

Note: You can also update
an existing manual receipt
to future pay by clicking
Update on the **Manual**
Receipt page and selecting
the **Future Pay** checkbox.

Run Future Pay Sweep
program

Run the Future Pay Sweep concurrent program to apply allocated amounts to invoices of a contract. This program applies the allocation amount based on whether the amount is for a contract, or a contract and stream type. The application of the allocation amount is based on the following criteria:

Oracle Lease and Finance
Management

- If it is only for a contract, it applies allocation amount to any open invoice for the contract based on the cash application rule associated with the contract.
- If it is for a contract and stream type, it applies allocation amount to any open invoices for the contract and stream type based on cash application rule associated with the contract.

After this program is run, receipt allocation balances are updated to deduct applied amounts from allocation balances. Amounts allocated in a receipt are automatically placed on-account.

Note: When this program is run, the system will check whether the receipt on account balance is less than the total allocated amount. If it is, the receipt number will be reported in the output report.

Run Future Pay Reverse Allocation program	Run the Future Pay Reverse Allocation program to check whether any receipt with an allocation balance has been reversed in Oracle Receivables. If a receipt has been reversed, this program automatically cancels any allocations recorded for the receipt.	Oracle Receivables
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- The **Allocated Amount** field in the **Update Receipt Allocation** page is the sum of allocation line amount and allocation tax amount.
- You can remove allocation rows if allocation has not been applied yet.

Evergreen Billing

Financiers require the flexibility to continue billing contracts when the assets continue to be in service after the contract expires. The period after a contract expires without termination and the assets continue to be in service is the evergreen period. Since the contract has expired, contractual billing is discontinued. To continue billing, run Evergreen Billing.

The following table describes the Evergreen billing process.

Evergreen Billing Process

Step	Description	Application
Evergreen Billing	Run the Evergreen Billing concurrent process to apply payments received before the contract is booked and create an invoice to which the payment can be applied.	Oracle Lease and Finance Management

Step	Description	Application
Master Program - Receivables Invoice Transfer	This program is used to process and transfer Oracle Lease and Finance Management billing transactions to the Oracle Receivables Invoice Interface table.	Oracle Lease and Finance Management
AutoInvoice Master Program	This program imports the billing information into Oracle Receivables and creates an invoice with invoice lines.	Oracle Receivables

Evergreen Billing Prerequisites

To process billing information, you must have contracts in Expired status that have not been terminated.

Evergreen Billing Procedures

On a periodic basis, run the Evergreen Billing and Master Program - Receivables Invoice Transfer concurrent programs to transfer the evergreen billing information to Oracle Receivables that creates an invoice.

Investor Agreement Billing

When financiers negotiate investor agreements, they define the amount of investment or investor stake. The financier may also want to bill the investor for fees incurred in creating the investor agreement. The investor stake amount and fees are defined in the investor agreement. To bill the investor, run the Investor Agreement concurrent program.

Investor Agreement Billing Prerequisites

To process billing information, you must have an active investor agreement with a defined stake amount.

Investor Agreement Billing Procedures

The following table describes the Investor Agreement Billing process.

Investor Agreement Billing Process

Step	Description	Application
Activate Investor Agreement	Author Investor Agreement with stake amount and any fees.	Oracle Lease and Finance Management
Master Program – Process Billable Streams – Investor Agreement	When an investor agreement is activated, bill the investor for their stake and fees defined in the agreement.	Oracle Lease and Finance Management
Master Program - Receivables Invoice Transfer	This program is used to process and transfer Oracle Lease and Finance Management billing transactions to the Oracle Receivables Invoice Interface table.	Oracle Lease and Finance Management
AutoInvoice Master Program	This program imports the billing information into Oracle Receivables and creates an invoice with invoice lines.	Oracle Receivables

Create an Investor Agreement and add investors to the agreement with their stake amount. Add any fees to be charged to the investor. Activate the investor agreement. For more information on investor agreements in Oracle Lease and Finance Management, see Investor Agreements.

Run the Master Program – Process Billable Streams – Investor Agreement and Master Program - Receivables Invoice Transfer concurrent programs to transfer the evergreen billing information to Oracle Receivables that creates an invoice with invoice lines for the investor stake and fees to be billed to the investor.

Billing and Taxes

Financiers are required to calculate, collect, and remit transaction-based taxes and meet leasing specific tax requirements within multiple applicable jurisdictions. Oracle Lease and Finance Management and Oracle E-Business Tax are integrated to calculate taxes using lease-specific and common tax parameters.

This integration creates a common infrastructure for tax configuration for multiple legal entities, operating units, and tax jurisdictions and increases the flexibility of your

infrastructure to define comprehensive sets of tax rules for tax determination requirements. You can reduce duplication of effort and errors using a common repository to maintain tax related records, and reduce clerical effort generating tax reports for reporting to tax authorities.

For information on processing taxes in Oracle Lease and Finance Management, see Taxes.

Third Party Billing

You can import billing items from a third-party finance company into Oracle Lease and Finance Management. You can import billing files containing charges incurred by the customer that you want to pass through, for example, property taxes, charges for non-sufficient funds, service, and maintenance. After you import billing files, you review them, correct errors, and download them into Oracle Lease and Finance Management tables.

Third Party Billing Prerequisites

To process billing information, you must have an active investor agreement with a defined stake amount.

Third Party Billing Procedures

You must include third-party billing data in a billing import file. You may include the following basic data fields in your data file:

- Contact ID or Asset ID
- Customer ID
- Customer Address
- Type of Charge
- Amount

In addition, you can provide other fields, such as vendor, invoice, and source identifiers

Prepare Third-Party Billing Import File for Billing

To prepare a third-party billing import file, perform the following steps:

1. In all rows, set the value of the column TRX_STATUS_CODE to "SUBMITTED".
2. Create a SQL*Loader control file specific for the data file to be imported. This step should be done by a technical consultant with knowledge of SQL*Loader programming language. The control file describes the format of the data file to be imported. SQL*Loader does not validate data.

3. Run SQL*Loader to load the data file. Running SQL *Loader is a concurrent job that takes two arguments: name of data file and name of control file. This job produces an audit report.
4. Review the SQL*Loader audit reports. The report indicates the number of records which have been successfully or unsuccessfully loaded from data file into the Oracle interface table. Only data records with wrong format are rejected. That is, records with an invalid customer ID are accepted and loaded into the database. These records are rejected by a validation process in the next step.
5. Run the concurrent program Third Party Billing Import to pass all records from the billing import interface table to Oracle Lease and Finance Management transaction tables. The process validates data for referential integrity. For example, every record must have an amount, contract ID, and type of charge. Moreover, if optional data is supplied, it is validated. For example, if a vendor ID is provided, it should correspond to an active vendor. Note that all the records that passed the checks in the previous step are loaded into the database. If the data is loaded correctly, the column TRX_STATUS_CODE is set to "PROCESSED". If the concurrent program detects errors, the column TRX_STATUS_CODE is set to "ERROR".
6. Review the audit and exception reports that the concurrent program Third Party Billing Import generated. All validated records are copied to Oracle Lease and Finance Management transaction tables. Rejected records remain in the interface table. The audit report shows the number of excepted and rejected records. The exception report displays rejected records and corresponding error messages.
7. If any records are rejected, then fix the invalid records until there are no error records.
8. Repeat these steps until all records are accepted.

Transaction Summary

You can drill down to the specific billing transaction lines to obtain more detailed information in Oracle Lease and Finance Management. Transaction summary information appears in three main areas:

- **Retrieve Transaction Summary Records** - View contract number, customer name, invoice, currency, due date, amount, and balance.
- **View Transaction Line Results** - View a breakdown of the lines of the invoice that shows how much was paid and how much is still due for each line of the invoice.
- **View Transaction Line Details Results** - View a breakdown of the streams history within each line of the invoice that shows how much was paid and how much is still due for each stream of each line of the invoice.

Transaction Summary Procedures

The transaction summary process consists of the following steps:

1. Retrieve Transaction Summary Records
2. View Transaction Line Results
3. View Transaction Line Details Results

Retrieve Transaction Summary Records

You can search and retrieve transaction summary records by specifying any or all of the following fields:

- Consolidated Invoice Number
- Contract Number
- Customer Name

The initial results show you the following fields about an invoice:

- Contract Number
- Customer Name
- Invoice - This field is hypertext linked, which allows you to access transaction line information.
- Currency
- Due Date
- Amount
- Balance
- Details - This is an icon, which allows you access to stream details on each transaction line.

View Transaction Line Results

When you click on an invoice in the Transaction Summary results area, the Transaction Lines page appears. This page contains summary information about the invoice in the header, including the Invoice Amount and the Balance. In the Lines section, a breakdown of the lines of the invoice that shows how much was paid and how much is still due for each line of the invoice.

The fields that appear in the Lines region are as follows:

- Line Number
- Contract Number
- Line Name
- Invoice Amount - This is the amount for the current line on the invoice, not the total amount of the invoice, which appears in the header.
- Tax
- Amount Paid
- Balance - This is the balance for the current line on the invoice, not the balance of the invoice, which appears in the header.

View Transaction Line Details Results

When you click Details for an invoice in the Transaction Summary results region, the Transaction Line Details page appears. This page contains summary information about the invoice in the header, including the Invoice Amount and the Balance.

In the Streams region of the page is a breakdown of the streams history within each line of the invoice that shows how much was paid and how much is still due for each stream of each line of the invoice. The fields that appear in the Streams region are as follows:

- Line Number
- Line Name
- Stream
- AR Invoice
- Invoice Amount - This is the amount for the current stream on the invoice line, not the total amount of the invoice, which appears in the header.
- Tax
- Amount Paid
- Balance - This is the balance for the current line on the invoice, not the balance of the invoice, which appears in the header.
- Check Number
- Receipt Date

Options to Generate and Present Invoices

Options to Generate and Present Invoices Overview

Once billing transactions are processed, the charges must be presented to the customer for payment in invoices or statements of account. When invoices clearly present charges, they are easy to understand to meet the needs of both the customer and the financier.

Sample Invoice Formats

Customers often request clear presentment of billing to make their payable process easier to pay promptly and correctly. Financiers may want to minimize invoice volume while building better customer relationships and winning repeat business through management of their invoices. The following examples describe invoice options.

Example 1

Invoice Format – display invoice information at the level of detail to meet customer requirements. For example, a customer may want invoice detail to match their purchase order or to be notified with an invoice message when certain events occur.

- **Invoice Format** – display invoice information at the level of detail to meet customer requirements. For example, a customer may want invoice detail to match their purchase order or to be notified with an invoice message when certain events occur.
- **Invoice Grouping** – group invoices or charges on invoices into the desired level of detail. For example, a customer may want charges to be grouped into one invoice line by customer cost center; a customer may have contracts with numerous assets and want rent charges to be grouped into one invoice line; a customer may want an invoice for each contract that lists each charge in detail.
- **Print Lead Days** – the number of days before the due date the invoice should be submitted. Customers may want to receive invoices early in the month; others may want to receive invoices later in the month.

Example 2

- **Invoice Format** – merge charges and bill them as a single invoice line. For instance, a financier may want to present rent and service charges in one invoice line formatted as rent.
- **Invoice Format** – merge charges and bill them as a single invoice line. For instance, a financier may want to present rent and service charges in one invoice line formatted as rent.

- **Invoice Grouping**
- **Invoice Message**

Create Invoices

Create Invoices Overview

Creating invoices for lease and loan contracts includes the following tasks:

- Determine the amount and date to send the invoice
- Group charges into invoice lines on an invoice
- Calculate taxes
- Generate a receivable record in the system
- Account for the billing transaction in the general ledger
- Format and print invoice messages
- Determine the media to dispatch the invoice

To complete these tasks, generate billing data through a combination of processes and concurrent programs in Oracle Lease and Finance Management and other Oracle applications.

The billing process also creates disbursements, when required, to passthrough billing charges from customers to vendors for services or from customers to investors for investment returns.

Create Invoices Prerequisites

To create invoices, you must complete the following setups:

- Set Up Billing in Oracle Receivables
- Define Invoice Grouping Rules and Accounting
- Run the Oracle Lease and Finance Management Pre-Billing Report

Set Up Billing in Oracle Receivables

When you setup billing in Oracle Receivables for each customer that you want to invoice, you must enable consolidated billing for lease and loan contracts in Oracle Receivables. To setup billing in Oracle Receivables, see the *Oracle Receivables*

Define Invoice Grouping Rules and Accounting

Oracle Receivables is seeded with the default OKL INVOICE grouping rule to group Oracle Lease and Finance Management billing transactions using the following parameters: Invoice Group Type, Private Label, OKL Billing Transaction Number, Contract ID, Source of Billing Transaction and Invoice Format Type. You can configure Invoice Groups in Oracle Lease and Finance Management if the seeded grouping rule in Oracle Receivables does not meet your requirements.

Run the Oracle Lease and Finance Management Pre-Billing Report

Before you run concurrent programs to generate billing data, run the Oracle Lease and Finance Management Pre-Billing Report to identify potential errors or incomplete and missing billing information that will prevent the billing programs from completing successfully. The Pre-Billing Report identifies errors in billing information that are difficult to correct once the billable streams are processed in Oracle Lease and Finance Management and transferred to Oracle Receivables. The Pre-Billing Report identifies the contracts for which errors can occur due to disabled bank accounts, disabled receipt methods, incorrect bill-to-site, inaccurate sales representative, and invalid GL code combinations.

Prerequisites to generate billing data are defined in the Billing Transactions prerequisites sections.

Create Invoices Procedures

The objective of the Create Invoices process is to generate billing information in Oracle Lease and Finance Management and pass the information to Oracle Receivables in order to generate an invoice. There are two main stages in the process: the billing information preparation stage and the invoice generation stage. In the billing information preparation stage, you perform one or more of the following sets of billing tasks:

- Billing Information Preparation
- Invoice Generation

Billing Preparation

In the billing information preparation stage, you perform one or more of the following sets of billing tasks:

- Enter billing charges manually in the Create Manual Invoice page to bill ad hoc charges
- Run the program Pre-Billing Report to identify and correct incomplete or missing billing information that will prevent the billing processes from completing

successfully

- Run the program Master Program - Process Billable Streams - Contracts to process contractual billing information
- Run the program Master Program - Process Billable Streams – Investor Agreement to process investor stake and fees
- Run the program Create Receivables Variable Rate Invoice to process billing information for variable rate invoices
- Run the program Advance Billing to process billing information for advance receipts
- Run the program Evergreen Billing to process billing information for expired contracts that have not been terminated
- Run the program Service Contracts Billing to process Oracle Service Contracts billing information for consolidated lease and service invoices
- Enter counter readings in Oracle Lease and Finance Management and run the program Usage Based Billing to process usage billing
- Run the program Calculate Late Interest to process charges for late interest payments
- Run the program Calculate Late Charges to process late charges
- Import and correct Billing File using SQL*Loader, then run the program Third Party Billing Import

Invoice Generation

After the billing preparation stage, you must run the following programs in the invoice generation stage:

- Master Program - Receivables Invoice Transfer
- AutoInvoice Master Program (this is an Oracle Receivables program)
- Print Consolidated Invoices (if you want the invoices to use the invoice formats setup in Oracle Lease and Finance Management)

If you require passthrough or syndication disbursements to vendors, investors, or suppliers, Oracle Lease and Finance Management sends the required data for invoice approval and payments to Oracle Payables. See Disbursements Overview.

Important: Passthrough billing for services created in Oracle Service Contracts is not possible. The receipt of payments process is a combination of Oracle Lease and Finance Management and Oracle Receivables procedures. When you receive payments and electronic transfers, receipts apply to invoices. Late payments and delinquent invoices result in billing items. The diagram, Procedures to Generate Receipts Data, in Receipt of Payments, Oracle Lease and Finance Management User's Guide, describes the concurrent programs and processes of Oracle Lease and Finance Management for generating receipts data.

The procedures to generate billing and disbursement data call the accounting engine for each transaction created, and automatically create the accounting entries defined in your accounting templates. Oracle Receivables accounts for the receipts procedures.

Invoice Format

Invoice Format Overview

Financiers want to speed collections and customer inquiry response by presenting bills in formats that meet your business requirements and customer needs. You can create multi-line receivable invoices from Oracle Lease and Finance Management and use invoice grouping rules to present invoices that are clear to understand by your customers.

For example, if a customer wants to receive one invoice from your global operations, you have the flexibility to create billing charges from your multiple business units and consolidate charges for rent, fees, and services in one invoice.

To reduce the number of invoices processed, you can group invoices from multiple customer accounts into a single customer invoice.

And if a customer wants to track invoice details for each contract, you can list all charges as separate lines associated with the same contract. Then print and view individual or consolidated invoices in Oracle Lease and Finance Management.

Oracle Receivables is seeded with the default OKL INVOICE grouping rule to group Oracle Lease and Finance Management billing transactions using the following parameters:

- Invoice Group Type
- Private Label
- Oracle Lease and Finance Management Billing Transaction Number
- Contact ID

- Source of Billing Transaction
- Invoice Format Type

You can also configure Invoice Groups in Oracle Lease and Finance Management if the seeded grouping rule in Oracle Receivables does not meet your requirements.

Invoice Format Procedures

If the seeded grouping rule in Oracle Receivables does not meet your requirements, you can define an Invoice Group in Oracle Lease and Finance Management by performing the following tasks:

- Create Invoice Grouping Rule
- Define Invoice Types
- Define Invoice Line Types
- Associate Stream Types to Invoice Line Type
- Associate Billing Information to Invoice Customer Account
- Consolidate Billable Amounts into a Single Invoice

Create Invoice Grouping Rule

To create an Invoice Group in Oracle Lease and Finance Management, go to **Setups > Receivables > Invoice Groups**. Give the Invoice Group a name and description and assign it to an Operating Unit.

If you want to group invoices billed on multiple contracts with the same billing terms, you can check the Multi-Contract Invoice box. In this example, do not check the Multi-Contract Invoice box because the scenario does not require invoice grouping across multiple contracts.

Define Invoice Types

The Invoice Types define separate invoices. For example we can create two invoices, one for Rent and one for Fees. In this example, the Rent Invoice Type could include invoice lines for rent and property tax streams and the Fees Invoice Type could include invoice lines for installation, legal, and vendor fees.

Define Invoice Line Types

Create an Invoice Line Type for each Invoice Type to define invoice lines. For example, create invoice lines for rent and property tax. At this point, we have named the invoice lines. To generate billing charges on the invoice line, click Streams (I) to associate streams with the Invoice Line Type.

Associate Stream Types To Invoice Line Type

After completing the previous steps, select the rent streams to be associated with the Invoice Line Type, for example, Rent. When this Invoice Group is associated with a contract and you run billing processes, the rent streams associated this Invoice Line Type, Asset Rent, will be added and the total displayed as an invoice line on the Rent invoice.

Associate Billing Information to Invoice Customer Account

The invoice contact information is based on the Bill To role associated with the invoice customer account. To derive the contact information from a different Bill To role, you must update the **Billing To Contact Override** system option in the **Billing Options** region of the **Operational Options** page.

To update the **Billing To Contact Override** system option, perform the following steps in the **Operational Options** page:

1. Click **Update**.
2. In the **Billing Groups Contact Override** system option of the **Billing Group Options** region, select the appropriate value from the list of values for **Billing To Contact Override**.
3. Click **Apply**.

Consolidate Billable Amounts into a Single Invoice

Consolidating billable amounts into a single invoice is important because it provides simplified invoices that are easy to track and process. Lessors can consolidate all contract charges independent of the following factors:

- Revenue Recognition Method
- Amounts that are contractually scheduled
- Amounts that are ad-hoc charges incurred during the life of contract

Assign Dates for Unscheduled Invoices

Date assignment for unscheduled invoices aligns the unscheduled invoice date with the rent due date. It ensures that the billable amounts can be presented in a single invoice. This consolidates the charges with rent and presents in the same invoice.

You can enable date assignment for unscheduled invoice sources by using the following system options in the **Consolidation Options** region of the **Operational Options** page in the **Setup** tab:

- Manual Invoices
- Insurance Payments

- Late Interest
- Late Charges

To enable date assignment for unscheduled invoice sources, perform the following steps in the **Operational Options** page:

1. Click **Update**.
2. From **Consolidation Options** in the **Billing Options** region, select the appropriate unscheduled invoice checkboxes to align their due dates with rent.

Note: You can define the number of tolerance days in the **Alignment Tolerance Days** system option.

3. Click **Apply**.
 - To process date assignment, you must assign the **Waiting for Consolidation** status to the unscheduled invoices you have created.
 - If the next rent due date is within the number of tolerance days defined in the system option, the invoice waiting for consolidation is created based on the next rent due date.
 - If the next rent due date is beyond the number of tolerance days defined in the system option, the invoice waiting for consolidation is created based on the system date when it was created.

Complete the date assignment process by running the **Assign Due Dates for Invoices** concurrent program.

Consolidate Invoices Across Different Revenue Recognition Basis

Lessors require consolidating billable charges in the same invoice regardless of their accounting revenue recognition method. Lessors can do this by using the **Non Contingent Cash Basis Revenue Recognition Basis**.

If lessors need to consolidate invoices with non accrual revenue recognition method with invoices with accrual revenue recognition, they must select the **Non Contingent Cash Basis Revenue Recognition Basis** in the stream type setup of the non accrual billable stream.

Note: The **Sub-Ledger Accounting (SLA)** source Stream Revenue Recognition Basis is required to configure cash basis accounting for **Non Contingent Cash Basis** streams.

View and Adjust Invoices

Not only are billing details important to customers, and third parties, including collection agents and vendors, but they are vital to internal departments responsible for accounting, customer service, cash management, collections, vendor relationships and investor relationships. Clear and accurate billing information provides critical information to help employees meet their responsibilities to:

- Ascertain outstanding balances by customer, account, contract and charge
- Respond to customer queries
- Apply cash receipts
- Initiate collection at the appropriate time and make quality decisions
- Disburse dues to vendors accurately on time
- Disburse dues to investors accurately on time
- Waive dues with confidence
- Reverse and write-off uncollectible amounts

View BPA Invoice Details

Oracle Bill Presentment Architecture (BPA) enables you to view a copy of the invoice as presented to the customer.

You can view BPA invoices by navigating to Operations > Invoices, entering your search criteria, and selecting the invoice you want to view. Click Display Invoice after you have selected your invoice.

Select Lease Invoice Details

When configuring your BFA Template Assignment Rules in Oracle Bill Presentment Architecture, you can select Oracle Lease and Finance Management attributes to be evaluated in the automatic invoice template selection process. Then when you create your BFA Invoice Formats, you can select the same attributes to be displayed in the invoice.

The following Oracle Lease and Finance Management attributes can be selected:

- Invoice Grouping Rule
- Invoice Type Name

- Termination Quote Number
- OKL Source Billing Transaction
- Private Label

For more information on BFA setup, see the *Oracle Bill Presentment Architecture User's Guide*.

Manual Invoice for Metered Usage Service

An invoice for metered usage may need adjustment due to an incorrect meter read entry or incorrect price. You can generate a manual invoice for usage adjustments, and disburse the correct invoice amounts based on the defined Passthrough terms. You can adjust the invoice amount for usage in Base term and Evergreen. If Passthrough terms are defined for the usage, the disbursement percent and processing fee percent is applied to the manual invoice based on the corrected usage amount.

Receipt of Payments

This chapter covers the following topics:

- Overview
- Create Receipts
- Auto Cash Application
- Search and View Receipts
- Updating Receipts
- Cross Currency Receipt Application
- Credit Memo Sweep and Line Level Application

Overview

With automated cash application processes you can respond to the multiple ways customers have arranged to remit payments easily, including lockbox, and electronic payment through direct debit, Automatic Clearing House (ACH) and credit cards. Use seeded cash application rules, or define your own, to automatically create receipts and apply them to billing charges quickly and accurately with minimal manual intervention. When exceptions occur, manage receipts manually to correct receipts and invoice balances quickly.

Create Receipts

Record and apply payments received to the appropriate billing charges either manually or automatically in Oracle Lease and Finance Management. When you create a receipt, capture receipt details that may include the payment amount, customer account, contract number, invoice number, invoice lines or consolidated invoice number migrated from prior releases.

Record the receipt of payment from multiple sources through alternative processes. When you have defined agreements with customers to remit payments automatically to

your account through direct debit or ACH transfers, you can create the receipts automatically in Oracle Receivables. When customers make credit card payments to your account, you can also create the receipts automatically.

You may have agreements with third party commercial banks or agencies that collect lockbox payments on your behalf. When customers remit payments to the lockbox, the agency processes the payments and transmits files electronically to record the receipt in Oracle Receivables.

When customers remit payment by check or cash in the mail, you can either record the receipt individually or in a batch. In a batch of receipts, Oracle Lease and Finance Management captures batch ate, remittance bank, general ledger date and user defined attributes so you can:

- Create one receipt against a contract and another receipt against an invoice.
- Create a batch with a past due date.
- Use different bank accounts to remit payment using the same receipt method.
- Account for receipts on a different date than the batch date.
- Capture receipt information specific to your organization.
- Resubmit erroneous batches after rectifying errors.

Advance receipt- record prepayments, such as security deposits, to contracts before they are booked to ensure that prospects are serious about negotiating and signing contracts.

Apply Receipts

Once receipts are recorded, identify the invoice detail to match the payment to the appropriate billing charge. Define cash application rules in Oracle Lease and Finance Management to process receipt application automatically. Automatic receipt application is vital to efficient cash management and collections efforts and timely, accurate receipts management reduces costly reconciliation and adjustments. In Oracle Lease and Finance Management you can apply the following types of manual receipts to invoices or contracts:

- Apply batch receipts
- Apply Direct Debit or ACH receipts
- Apply receipt automatically for regular payment
- Apply receipt automatically for one-off payment
- Apply Lockbox receipts

- Apply receipt manually for individual payments
- Apply Advance receipts to unbooked and booked contracts

Revenue recognition and accounting for the receipts process occurs in Receivables. Receipt accounting is based on accounting details defined in the Receivables Accounting Template.

Manage Exceptions

When customers remit payments with insufficient information to identify the correct billing charge, you can apply the receipt to On Account in Oracle Lease and Finance Management. When the details accompanying a payment are insufficient to identify a customer account, you can apply the receipt to an Unapplied account in Oracle Lease and Finance Management.

When account balance reconciliations require adjustments or when customers dispute balances, adjustments may be required to correct applied receipts. Unapply payments and then reapply them to invoices. You can make the following changes to applied receipts:

- Update receipt customer details
- Update receipt
- Update receipt application
- Update receipt application by invoice line
- Update receipt application by stream type
- Reapply receipt application

View Receipts

Use extensive search criteria in Oracle Lease and Finance Management to search and view all receipts created in Oracle Receivables and Oracle Lease and Finance Management.

Create Receipts

You can create receipts using the following methods:

- Uploading files using AutoLockbox.
- Entering receipts details using the Lease user interface.

- Creating automatic receipts.

Manual Receipts

You can create receipts manually using the user interface in Oracle Lease and Finance Management. Oracle Lease and Finance Management lets you create individual receipts and in a batch.

Creating Batch Receipts

You can create receipts either against contracts or invoices with Auto Application in a batch.

To create and apply receipts in a batch, perform the following step:

1. Create a batch and add receipt details to batch.
2. Submit the batch.
3. Process the batch.

Creating a Batch and Adding Receipt Details to a Batch

To create a batch, perform the following tasks:

1. In the Batch Receipts page, click Create Batch.
2. Enter the batch details.
3. Enter the receipt details for each receipt in the batch as described in the Create Batch Receipt Field Descriptions, page 18-5 table.
4. Click Apply to save the batch.

Note: By default the batch status is set to Working. Keep the batch status to Working if you need to add more receipts to the batch later.

Create Batch Receipt Field Descriptions

Field	Description
Operating Unit	Operating unit assigned to the record. Note: The list of values includes operating units assigned to the MO: Security profile.
Batch Name	Batch Name
Batch Total	Batch Total
Batch Date	Batch Date
GL Date	GL Date
Currency	This can be either the ledger currency or the contract currency. If your receipt currency is the same as the ledger currency of your organization, you can ignore the currency conversion fields.
Receipt Method	To process payments.
Remittance Bank Name	Bank name to remit payments.
Remittance Bank Account	Bank account to remit payments.
Currency Conversion Type	If your receipt currency is not the same as the ledger currency of your organization, select the currency conversion type.
Currency Conversion Rate	If you selected User as the Currency Conversion Type, enter the currency conversion rate.
Currency Conversion Date	If you selected a value other than User as the Currency Conversion Type, enter the currency conversion date. This date enables Oracle Lease and Finance Management to determine the appropriate currency conversion rate for the currency conversion type you selected.

Field	Description
Status	Batch Status

Submitting a Batch

Once you complete the entry of all receipts for a batch, change the batch status to Submit and click Apply. On submission of a batch, Oracle Lease and Finance Management compares the batch total entered by you at header level with the total of receipt amount for all the receipts in the batch. If these totals match, Oracle Lease and Finance Management submits the batch and makes it available for processing. If the totals do not match, Oracle Lease and Finance Management displays an error and does not submit the batch.

Important: Once submitted, you cannot change the batch details, receipt details, and add or remove receipt details.

Processing Batch Receipts

Oracle Lease and Finance Management processes batch receipts by auto applying receipts based on the cash application rule. Only batch receipts with Submitted status is processed.

To process the submitted batch, perform the following tasks:

1. Log on to Oracle Lease and Finance Management using Lease Administrator responsibility.
2. Run the Concurrent Cash Application program.

On submission, Oracle Lease and Finance Management processes each batch with status submitted, or resubmitted for the selected operating unit. The Concurrent Cash Application checks for the following:

1. Validates the batch and receipt details.
2. If all the details are valid for the batch, Oracle Lease and Finance Management creates the receipts and auto applies receipt to invoices based on the cash application rule. *See: Auto Application.*
3. Changes the status to Process.
4. Even if one or more details are not valid, Oracle Lease and Finance Management does not process the batch and changes the status to Errored. You can correct the errored batch and resubmit the same for processing.

Note: The receipt entered in a batch are created only after processing. Before processing, you cannot update the receipts entered as a part of batch. When you search for receipts in Oracle Receivables or Oracle Lease and Finance Management, only the processed receipts are available.

Important: Oracle Lease and Finance Management creates individual receipts in Oracle Receivables even for receipts created as a part of batch and does not create batches in Oracle Receivables.

Correcting and Resubmitting Batches with Error

You can rectify the batches with error and resubmit them. Resubmitted batches are processed again by the Concurrent Cash Application program.

To rectify and resubmit a batch with error, perform the following tasks:

1. On the Batch Receipts page, search for the batches and click Update.
2. On the Update Batch page, Oracle Lease and Finance Management displays error message against receipts with invalid data.
3. Based on the error, you update either batch details or receipt details with valid details.
4. When navigate to the Update Batch page, the status of the batch is changed from Errored to Error Correction.
5. Once you update the details for all the errors, change the batch status to Resubmit and click Apply.
6. The batch is now available for processing.

Creating Individual Receipts

You can create Unapplied, On Account, Unidentified, Advance, or Applied receipt using the Create Receipts page. In case of applied receipt, you can also use Auto Application. To use auto application, you must create receipt against a specific invoice or a contract.

To create a receipt, complete the following tasks:

1. In the Search Receipts page, click Create Receipt.
2. Enter the receipt details. Refer to the Create Receipts Field Descriptions table, page 18-8 for the field descriptions.

3. Select the cash application criteria to apply the receipt amount to the invoices.
4. Click Apply.

Based on the selected cash application criteria, Oracle Lease and Finance Management performs the following:

- Application Criteria and Customer Name not specified: Creates an Unidentified receipt.

Note: You can later enter the customer details on an Unidentified receipt and convert it to an Unapplied receipt.

- Application Criteria not specified and Customer Name specified: Creates an Unapplied receipt.
- Advance: Creates an Advance receipt. See: *Creating Advance receipts*, page 18-10
- Contract Number or Invoice Number: Auto applies the receipt to open invoices based on the cash application rule. See: *Auto Application*.

Note: If you want to review and update the cash application based on the Auto application, then select Review. Oracle Lease and Finance Management will redirect you to update cash application page after performing auto cash application.

- Future Pay: Creates a Future Pay receipt.
- Manual: Allows you to select invoice lines manually to which you can apply receipt.
- On Account: Creates an On Account receipt.

The following table describes the fields on the Create Receipts page.

Create Receipts Field Descriptions

Field	Description
Operating Unit	Operating unit assigned to the record. Note: The list of values includes operating units assigned to the MO: Security profile.
Receipt Number	The identification number of a payment, such as a check number.
Receipt Date	Specify the Receipt date for payment.
GL Date	Specify the GL date for receipt.
Receipt Amount	Amount of the receipt.
Receipt Currency	Currency of the receipt.
Receipt Method	To process payments.
Remittance Bank Name	Bank name to remit payments.
Remittance Bank Account	Bank account to remit payments.
Customer Name	Name of the customer.
Customer Bank Name	Name of the customer's bank
Customer Bank Account	Customer Account number
Currency Conversion Type	If your receipt currency is not the same as the ledger currency of your organization, select the currency conversion type.
Currency Conversion Rate	If you selected User as the Currency Conversion Type, enter the currency conversion rate.

Field	Description
Currency Conversion Date	If you selected a value other than User as the Currency Conversion Type, enter the currency conversion date. This date enables Oracle Lease and Finance Management to determine the appropriate currency conversion rate for the currency conversion type you selected.
Criteria	Select the application criteria for receipt. If you select contract number or Advance as application criteria, then specify the contract number against which the payment is received. If you select Invoice as application criteria, then specify the contract number against which the payment is received.
Flexfield	<p>Oracle Lease and Finance Management captures the user-defined information based on the definition of Descriptive FlexField (DFF) "Receipt Information". You can create user-defined information based on the DFF functionality to store additional information.</p> <p>See: Descriptive Flexfields, <i>Oracle Receivables Implementation Guide</i></p>

Creating Advance Receipts

Oracle Lease and Finance Management allows you to create advance receipts against booked or unbooked contracts. You can also specify the stream types against which an advance payment is received.

When you create an advance receipt, Oracle Lease and Finance Management redirects you to Receipt Allocation page by clicking Apply on the Create Receipt page.

On the Receipt Allocation page, optionally you can specify the stream types and amount received against each stream type.

You can generate invoices against advance receipt through the Advance Billing process. The Advanced Billing process generates invoices based on advanced receipts and are then applied to these invoices automatically. The Automatic Cash application is based on Receipt Allocation. If there is no receipt allocation defined for the receipt, then the receipt application will be based on the CAR. *See: Auto Cash application.*

Note: If the advance receipt is against unbooked contract, you can generate invoices through advance billing only after the contract is

booked.

Creating and Applying Receipts using Autolockbox

AutoLockbox is a facility that Oracle Receivable provides you to eliminate manual data entry by automatically processing receipts that are sent directly to your bank.

Additional Information: Creating and applying lockbox receipts is an automatic procedure that occurs in Oracle Receivables.

The standard Autolockbox procedure is a three step process:

- **Import:** An SQL* Loader script uploads the data from the bank file to the Autolockbox tables.
- **Validate:** The validation program validates the uploaded data.
- **Post Quick Cash:** Receipts are applied and the customer balance is updated.

See: *Using AutoLockbox, Oracle Receivables User Guide*.

Oracle Receivables does not provide for auto cash application based on stream type or at line level. Oracle Lease and Finance Management extended the Auto Cash application to provide the cash application based on Lease specific Cash Application Rule (CAR) and cash application at line level.

To use the Oracle Lease and Finance Management Auto Cash application, set the Line Level Cash application to Oracle Lease and Finance Management while setting up AutoLockbox in Oracle Receivables. When you process AutoLockbox in Oracle Receivables, it uses the cash application logic provided by Oracle Lease and Finance Management if the line level cash application is set to Oracle Lease and Finance Management.

See: *Lockboxes, Oracle Receivables Implementation Guide*

Oracle Lease and Finance Management Cash Application Process

Oracle Lease and Finance Management first checks whether the receipt is against the Leasing related invoice, contract, or termination quote. For this Oracle Lease and Finance Management uses the reference number provided in the Lockbox, field types Invoice 1, Invoice 2, ... in the record type overflow payment.

Oracle Lease and Finance Management validates the following:

- If the receipt is without any reference number or has a non leasing invoice as a reference number, then Oracle Lease and Finance Management does not perform Auto Cash application. For such receipts, Oracle Receivables Auto Cash application is performed. See: *AutoCash, Oracle Receivables User Guide*.

- If the receipt is against Leasing related Invoice or Contract, then Oracle Lease and Finance Management automatically performs line level cash application based on cash application rule (CAR) set up in Oracle Lease and Finance Management.

See: Auto Cash Application, page 18-13

- If the receipt is not related to any of the above two conditions, then Oracle Lease and Finance Management checks whether there any open invoices for the customer. If open invoices for the customer are present, then Oracle Lease and Finance Management applies cash based on the Receipt Mismatch rule. If there are no open invoices for the customer, then Oracle Lease and Finance Management checks whether the receipt is related to any termination quote. If it is related to the termination quote then Oracle Lease and Finance Management processes the termination quote.

Applying Cash Based on Receipt Mismatch Rule

The Receipt Mismatch Rule is meant only to process lockbox receipts. The following three options apply to defining the Receipt Mismatch Rule:

- <BLANK> - The BLANK value has no functionality in Oracle Lease and Finance Management.
- Apply to Oldest Invoice First
- Apply to Newest Invoice First

Oracle Lease and Finance Management identifies the Receipt Mismatch Rule from the default cash application rule at the operating unit level. The Receipt Mismatch Rule determines whether the mismatch rule was created. When the Receipt Mismatch Rule is set up to apply mismatched receipts to On Account, Oracle Lease and Finance Management ignores the BLANK value set for the receipt mismatch rule and continues to process receipts.

Termination Quote Processing

Oracle Lease and Finance Management checks the following:

- Identifies the Amount Tolerance percentage and the number of days for the termination quote from CAR associated contract. If no CAR is associated to contract, Oracle Lease and Finance Management uses the default CAR.
- If the receipt amount is within termination quote amount plus or minus tolerance amount and the receipt date within Termination Quote Date + Number of days for Termination Quote then Oracle Lease and Finance Management starts termination quote processing.
- Creates receipt as unapplied receipt.

Creating Automatic Receipts

You can use the Automatic Receipts feature of Oracle Receivables to automatically generate receipts for customers with whom you have defined payment agreements, such as payments through direct debit.

See: Creating Automatic Receipts, *Oracle Receivables User Guide*

See: Creating Remittance Batches, *Oracle Receivables User Guide*

Auto Cash Application

When you create a receipt against an invoice or a contract, Oracle Lease and Finance Management applies the receipt automatically using the Cash Application Rule (CAR).

For automatic application, you must set up at least one cash application rule for an operating unit and make it a default cash application rule. It is important that all the billable stream types in the contracts covered by the invoice are defined in the appropriate cash application rule.

See: Define Cash Application Rules, *Oracle Lease and Finance Management Implementation Guide*

Identifying Invoice Lines for Auto Application

Each open line, having balance greater than zero, related to reference object is considered as Auto Application if the reference object is Oracle Lease and Finance Management related AR invoice or Contract.

Identifying Cash Application Rule

- If the receipt is against the contract, then Oracle Lease and Finance Management uses the cash application rule associated with the contract. If the contract is not associated with any cash application rule, then Oracle Lease and Finance Management uses the default cash application rule at the operating level.
- If the receipt is a Oracle Lease and Finance Management related AR invoice, however, all the open invoice lines identified are for the same contract then Oracle Lease and Finance Management uses the cash application rule associated with the contract. If the contract is not associated with any cash application rule, then Oracle Lease and Finance Management uses the default cash application rule at the operating level.
- If the receipt is a Leasing related Receivables invoice and the open invoice lines identified are for different contract but with the same CAR associated to each contract, then Oracle Lease and Finance Management uses that CAR. If none of the contract is associated with any CAR then Oracle Lease and Finance Management

uses default CAR at the operating unit level.

- If the receipt is a Leasing related Receivables invoice and the identified open invoice lines are for different a contract and the same CAR is not associated to each contract and all the contract has the same start date then Oracle Lease and Finance Management uses the default CAR at operating unit level.
- If the receipt is a Leasing related Receivables invoice and the identified open invoice lines are for different contract and the same CAR is not associated to each contract and all the contract does not have same start date then:
 - Oracle Lease and Finance Management groups the contracts with same start date.
 - If the same CAR is associated to each contract in the group then Oracle Lease and Finance Management uses that CAR for the group.
 - If the same CAR is not associated to each contract in the group then Oracle Lease and Finance Management uses default CAR for the group.
 - Oracle Lease and Finance Management starts applying cash to the group having earliest date and second earliest and so on.

Applying Cash to Invoice Line Based on the Cash Application Rule

You can apply Cash to an invoice line based on CAR. To apply Cash, perform the following tasks:

- If the receipt is Under Payment and the underpayment rule is "Move to Unapplied" then Oracle Lease and Finance Management does not apply receipt to any invoice line and creates an unapplied receipt.
- If the receipt is Under Payment and the underpayment rule is "Apply based on Transaction Type" then Oracle Lease and Finance Management first applies to the invoice with a stream type having lowest sequence number in CAR. If still there is some unapplied amount on the receipt, Oracle Lease and Finance Management selects the stream with sequence number and so on.
- If the receipt is Under Payment and the underpayment rule is "Prorate", then prorate the receipt amount in proportion of line balance to each invoice line with the stream types selected for prorating in CAR.
- If the receipt is Over Payment and the overpayment rule is "Move to unapplied" then Oracle Lease and Finance Management applies the receipt amount to each line in full and keeps the remaining receipt amount as unapplied.
- If the lockbox receipt is Over Payment and the overpayment rule is "Apply to

Customer Balance," Oracle Lease and Finance Management ignores the Apply to Customer Balance rule and continues to process the cash application.

- If the payment is within tolerance, Oracle Lease and Finance Management applies the receipt to each invoice line in full in the sequence in which they were created.

Search and View Receipts

In Oracle Lease and Finance Management, you can search for receipts created from all sources including Lockbox and manual receipts in either Receivables or Oracle Lease and Finance Management. You can also view and update receipt applications for all the receipts in Oracle Lease and Finance Management.

Search for Manual Receipts

You can find manual receipts by performing a list search in the **Receipts** tab of the **Operations** page. List search is a search tool that helps retrieve information quickly and easily.

Perform the following steps:

1. Click **Show Filters**.
2. Select the objects using the following filters:
 - Operating Unit (mandatory field)
 - Receipt Number
 - Customer
 - Contract Number
 - Invoice Number
 - Receipt Date: This field uses a range of dates.
 - GL Date: This field uses a range of dates.
 - Amount: This field uses a range of amounts.
 - Receipt Method
 - Advance Receipt

You can also include the following additional filters to the search criteria by clicking **Add**:

- Currency
- Customer Number
- On-Account Amount: This field uses a range of amounts.
- Unapplied Amount: This field uses a range of amounts.
- Unidentified Amount: This field uses a range of amounts.

Note: You can remove the additional filters from the search criteria by clicking the remove filter icon next to each added criteria.

3. Click **Go**.

The search results are displayed.

You can save searches by performing the following steps:

1. After selecting filters, click **Save**.
2. Perform the following actions in the **Create Saved Search** region:
 1. Enter a name for the saved search in the **Name** field.
 2. Select the **Display in Tile** checkbox to display a tile having this search's details in the **Receipts** tab.

Additional Information: Tiles display the count of search records for the defined search filters. This count can be refreshed by clicking the refresh icon present on each tile. Clicking on a tile will show the filters selected for this saved search.

3. Select the **Set as Default** checkbox to make a saved search as the default search.
4. Click **OK**.

Even if a saved search is not saved as a tile, it will be displayed in the drop down beside **Show Filters/Hide Filters**. You can manage saved searches by clicking **Manage Saved Search** in this drop down.

Note: You can disable list search using the **Disable List Search** button in **Table Diagnostics**. After disabling list search, you can find manual receipts by performing either a simple or advanced search.

A simple search on the **Receipts** tab includes the following parameters:

- Operating Unit (mandatory field)
- Receipt Number
- Customer
- Contract Number
- Contract Number
- Receipt Date From
- Receipt Date To

An advanced search allows you to expand or refine their search criteria.

View Receipts

Once you search the receipt, you can view the receipt and receipt application details by clicking the receipt number.

You can view the receipt application details either in a details mode or a summary mode. In the detail mode, Oracle Lease and Finance Management displays the line details and application amount for each invoice line to which the receipt is applied. In the summary mode, Oracle Lease and Finance Management groups the receipt application by stream and displays stream type and amount applied to the stream type.

Important: You can view the search results at stream type level. By default, the view is the Summary mode. In this mode the invoice lines are grouped by streams. In the Detail mode, all the streams are grouped together.

You can decide the default view mode. Set the OKL: Number of Receipt Applications to Default Summary View profile option to the Default Summary view. If the number of receipt application line is equal to or more than the value set for this option, the default view mode is Summary otherwise it is Detail.

Updating Receipts

In Oracle Lease and Finance Management, you can:

- Update Unidentified Receipts.
- Update Receipt Application.

- Update Advanced Receipt Allocation.
- Mass apply on account or unapplied receipt amount to open invoice through Receipt Reapplication.

Updating Unidentified Receipts

You can add customer details to an unidentified receipt by updating the receipt. When you add customer details to an unidentified receipt, Oracle Lease and Finance Management changes the receipt from unidentified receipt to unapplied receipt.

To add customer details to unidentified receipt:

1. Navigate to the Receipts page.
2. Search for the receipt.
3. Click a receipt number to navigate to the Receipt Details page.
4. Click Update.

Note: If the receipt is an unidentified receipt, Oracle Lease and Finance Management redirects you to the Update Receipt page.

5. Add the customer details.

Updating Receipt Application

You can update the following receipts:

Fully unapplied or On Account receipt: You can add receipt application details by adding invoice lines to apply receipt to.

Partially or Fully applied receipt: Add receipt application, unapply existing receipt application, change the applied amount for existing receipt application, change on account amount or application GL date.

Update receipt applications by creating receipt applications to unapplied or on account receipt or change receipt application for already applied (fully or partially applied) receipts. You can change the application amount for existing application, unapply the existing application and add new invoice lines for application.

You can add new invoice lines and fully apply the amount or manually enter the amount to apply to the invoice. You can update the application in either the Summary or the Detail view.

To update receipt applications:

1. Navigate to the Receipts page.

2. Search for the receipt.
3. Click a receipt number to navigate to the Receipt Details page.
4. Click Update.

Note: If the receipt is neither an unidentified nor an advance receipt, Oracle Lease and Finance Management redirects you to the Update Receipt Application page.

5. You can update the receipt application either at summary level or detail level.

Updating Receipt Applications at Detail Level

To update receipt application at the detail level, set the view mode to Detail on the Update Receipt Application page.

Adding Invoice Lines to Apply Receipt To

To add invoice lines, perform the following steps:

1. Navigate to the Cash Application page.
2. Click Add Invoice Lines.

Note: Oracle Lease and Finance Management displays the list of invoices lines having an open balance that matches the search criteria you entered.

3. Select one or more invoice lines to apply a receipt to and click Add.
4. Oracle Lease and Finance Management adds the invoice lines to receipt application with zero applied amount.
5. Enter the amount to be applied against each invoice line.

Note: If you want to fully apply one or more invoice lines, select those invoice lines and click Fully Apply.

Unapply Receipt Application

To unapply receipt applications:

1. To unapply receipt application, set the applied amount for receipt application line to zero.
2. Select the lines and click Unapply.

Update Existing Receipt Application

To update existing receipt application, change applied amount and/or GL date.

Note: Invoice line consists of line amount and tax amount. The total of line amount and tax amount is line total. You can apply receipt to invoice line either at the Line total level or at the line amount and tax amount level. When you apply receipt at line total level, Oracle Lease and Finance Management derives the applied amount for line and tax by prorating the applied amount. To prorate the outstanding line amount and outstanding tax amount is taken as base. To apply amount at line total level select Line Total in apply to field. To apply amount for line and tax separately select Line amount and Tax in apply to field.

Once you complete the above, click Apply.

The receipt balances displayed on the Update page are not updated automatically based on changes. To view the updated balance based on changes, click Recalculate to refresh the balances on the page. Click Apply to save the changes.

Updating Receipt Applications at Summary Level

To update receipt application at Summary level set the view mode on update receipt application page to Summary. In the Summary view mode, you can update the receipt application at the stream level. The process of adding invoice lines, fully applying or unapplying the receipt amount is similar to that in the 'Detail' view mode. You can Fully apply or Unapply the receipt amount at the invoice line level and not at the stream level.

Add Invoice Lines to Apply Receipt To

You can add invoice lines in the Cash Application page. The steps to be followed to add invoice lines in summary mode is same as in detail mode. When you add invoice lines in summary mode, Oracle Lease and Finance Management groups the added invoice lines by stream type and currency. If the receipt application already exists for a combination of stream type and currency, then Oracle Lease and Finance Management adds the selected invoice lines to the existing summary line. If the receipt application does not exist for a combination of stream type and currency, then Oracle Lease and Finance Management adds the summary line.

You can enter the applied amount either at the summary or invoice line level. You can also enter the applied amount separately for the line and tax both at the summary or invoice line level.

When you enter the applied amount at the summary level, Oracle Lease and Finance Management prorates the applied amount to each invoice line related to summary lines based on the outstanding balance of an invoice line.

Unapply Receipt Application

To unapply receipt application at the summary level, set the applied amount at

summary level to zero. Oracle Lease and Finance Management unapplies the receipt application to all invoice lines associated to the summary line.

Update Existing Receipt Application

To update the existing receipt application, change the applied amount at summary level or invoice line level within specific group of stream. If you update the amount at summary level, then the updated amount is prorated for each invoice line for a stream based on the outstanding balance.

The applied amount can be entered or updated at the summary level or invoice line level. You can also enter the applied amount for the line total or line and tax separately. Select the appropriate option to update or enter the applied amount for Apply To. The following are the options:

- **Summary Total:** Oracle Lease and Finance Management lets you enter the applied amount at the summary level. The amount entered at the summary level is prorated to invoice lines.
- **Summary Amount and Tax:** Oracle Lease and Finance Management lets you enter the applied amount at the summary level separately against the line only amount and the tax amount. The amount entered at the summary level is prorated to invoice lines.
- **Invoice Lines Total:** Oracle Lease and Finance Management lets you enter the applied amount at the invoice line level. Use this option when you want to change the applied amount for specific invoice lines associated to the summary line. For this, select the summary line and Oracle Lease and Finance Management displays all the invoice lines related to the summary line. Then you can update the applied amount for one or more invoice lines. You can also fully apply and unapply as required.
- **Invoice Line Amount and Tax:** Oracle Lease and Finance Management lets you enter the applied amount at the invoice line level separately against the line only amount and the tax amount. The amount entered at the summary level is prorated to invoice lines.

Updating Advance Receipt Allocation

To update the advance receipt allocation.

1. Search the receipt.
2. Navigate to the Receipt Details page.
3. Click Update. When receipt is created as an advance receipt and yet not applied to any invoice lines, Oracle Lease and Finance Management redirects you to the Update Receipt Allocation page. Even if the receipt is created as an advance receipt but already applied to invoice lines, you can not update the receipt allocation. For

such receipts, Oracle Lease and Finance Management redirects you to the update receipt application page.

4. On the Update Receipt Allocation page, you can change the already allocated amount to stream types or add stream types to allocate receipt amount.

Receipt Reapplication

Oracle Lease and Finance Management allows mass application of unapplied or on account balances of receipts for a customer to invoices with open balances for the same customer through the following two Receipt Reapplication programs. Oracle Lease and Finance Management uses auto cash application for this.

Receipts Application

If the input parameter is Contract Number:

- Oracle Lease and Finance Management checks whether any un-expired advance receipt with un-applied or on account balance is present against a contract. If no such advance receipt is present then Oracle Lease and Finance Management does not perform receipt reapplication.

Note: In the cash application rule, Number of Days to Hold Advance payment is defined. The advance receipt expires after number of days defined in CAR, that is, the advance receipt expires on a day when Receipt Date + Number of days to hold advance payment defined in cash application rule for a contract.

- If the advance receipt is available then Oracle Lease and Finance Management checks whether any invoice lines against a contract has a balance. If there is no invoice lines with balance then Oracle Lease and Finance Management does not perform receipt reapplication.
- If there are both advance receipt and invoice lines with balance for a contract, then Oracle Lease and Finance Management applies advance receipt to open invoice lines one by one based on the receipt allocation. If the receipt allocation is not available for a receipt then Oracle Lease and Finance Management applies the receipt based on the cash application rule associated with the contract.

If the input parameter is Customer Number then Oracle Lease and Finance Management selects all the contracts with open balance. For each contract:

- Oracle Lease and Finance Management checks whether any unexpired advance receipt with unapplied or on account balance is there against a contract. If there are no such advance receipt then Oracle Lease and Finance Management does not perform receipt reapplication.

- If there are both advance receipt and invoice lines with balance for a contract, then Oracle Lease and Finance Management applies advance receipt to open invoice lines one by one based on receipt allocation. If receipt allocation is not available for a receipt then Oracle Lease and Finance Management applies the receipt based on the cash application rule associated with contract.

Reapplication with Contract

If the input parameter is Contract Number then Oracle Lease and Finance Management ignores other input parameter and performs receipt application as follows:

- Checks whether any unexpired advance receipt with unapplied or on account balance is present against a contract. If there are no such advance receipts then Oracle Lease and Finance Management does not perform receipt reapplication.
- If the advance receipt is available then Oracle Lease and Finance Management checks whether any invoice lines against a contract has a balance. If there are no invoice lines with balance then Oracle Lease and Finance Management does not perform receipt reapplication.
- If both the advance receipt and invoice lines with balance are present for a contract, then Oracle Lease and Finance Management applies advance receipt to open invoice lines one by one based on the receipt allocation. If receipt allocation is not available for a receipt then Oracle Lease and Finance Management applies the receipt based on the cash application rule associated with contract.

If the input parameter is Customer Number and Receipt Type is Advance then Oracle Lease and Finance Management selects all the contracts with open balance. For such contracts:

- Oracle Lease and Finance Management checks whether any un-expired advance receipt with un-applied or on account balance or receipt date is there against a contract. And whether this receipt matches the receipt number and Date Range parameter. If there are no such advance receipt then Oracle Lease and Finance Management does not perform receipt reapplication.
- If both advance receipt and invoice lines with balance are present for a contract, then Oracle Lease and Finance Management applies the advance receipt to open invoice lines one by one based on receipt allocation. If receipt allocation is not available for a receipt then Oracle Lease and Finance Management applies the receipt based on the cash application rule associated with contract.

If the input parameter is Customer Number and Receipt Type is All, then Oracle Lease and Finance Management selects all the contracts with open balance.

- Oracle Lease and Finance Management checks whether there are any receipts with on account or unapplied amount for a customer. If there is no receipt with on account or un-applied amount for a customer, then Oracle Lease and Finance

Management does not perform receipt reapplication.

- If there are receipts with on account or unapplied amount, then Oracle Lease and Finance Management applies the receipt to open invoice against contract of the customer based on cash application rule.

Cross Currency Receipt Application

When your customer remits payment for an invoice, the receipt is usually in the same currency as the transaction. However, there may be times when your customer remits payment in a currency that is different than the currency of the open debit item. For these occasions, Receivables lets you create cross currency receipt applications to let you fully or partially process the payment.

See: Cross Currency Receipts, *Oracle Receivables*

For Leasing related receipts and invoices, cross currency application is possible when you create or apply receipt through:

1. **AutoLockbox:** For the cross currency receipt application using auto lockbox, see Applying Cross Currency Receipts, *Oracle Receivables User Guide*.
2. **Manual Receipt through User Interface with Auto Application:** If you create a receipt with the application criteria as contract number or an invoice number, and select the contract or invoice with a currency other than the receipt currency, then Oracle Lease and Finance Management creates the cross currency receipt application.
3. **Batch Receipt:** When you select an invoice or contract having different currency than batch currency, then Oracle Lease and Finance Management creates the cross currency receipt application.
4. **Advance Receipt Application:** If you create an advance receipt in currency other than the contract currency during advance billing program, Oracle Lease and Finance Management creates the cross currency receipt application.
5. **Receipt Reapplication:** If you select to create cross currency receipt application while mass applying the receipts to open invoices through receipt reapplication program, Oracle Lease and Finance Management may create cross currency application. During Receipt reapplication, Oracle Lease and Finance Management first applies the receipt to invoices with the same currency as receipt currency. However, after applying receipts to invoices of the same currency, if there are receipts with unapplied or onaccount balance in one currency and invoice with open balance in other currency, Oracle Lease and Finance Management creates cross currency receipt application.
6. **Manual Receipt Application:** Oracle Lease and Finance Management allows you to

create cross currency application manually. You can select invoice lines with currency other than receipt currency manually and apply the receipt to the selected invoice lines. In case of cross currency receipt application, you can enter the applied amount in the invoice currency. Oracle Lease and Finance Management derives the receipt amount allocated based on cross currency exchange rate.

7. **Future Pay Application:** If you create future pay in currency other than the contract currency, Oracle Lease and Finance Management creates the cross currency receipt application.

In all of the above options, by default Oracle Lease and Finance Management uses Cross Currency Rate Type defined in the Oracle Receivables system option and receipt date to determine the exchange rate to apply cross currency receipts and derive allocated amount in the receipt currency.

You can update the default exchange rate used for the cross currency application. To update the exchange rate:

1. Navigate to the Update Receipt Application page.
See: Update Receipts, page 18-17
2. Click Cross Currency Rate.
3. On the Update Exchange Rate page, the cross currency receipt application lines is displayed grouped by the invoice number.
4. Update the exchange rate at the invoice level.

Oracle Lease and Finance Management recalculates the receipt allocation amount in the receipt currency and receipt balances based on the updated exchange rate.

Credit Memo Sweep and Line Level Application

You have now have the ability to apply credit memos to the individual invoice lines. Also, when credit memos are created for invoices, they are not dated with the invoice date. As a result, tax credits match the tax in the original invoice.

Applying Credit Memos to Invoice Lines

To automate credit memo application, use the Credit Memo Sweep program for the following processes:

- Rebook Billing Adjustment Credits: This includes online rebook, principal pay-downs, and variable rate re-amortizations.
- Termination Credit Memos: This includes termination billing adjustments, discounts and refunds.

- Rollover/Re-lease Termination Quotes: This includes rollover and refinance terminations, re-lease and Transfer & Assumption terminations.
- Short Fund Credits (Supplier Retention): This includes short funding termination quote credits.

The Credit Memo Sweep program determines the invoices that must be selected and applies credit to invoices with open balances for:

- Security Deposit and Discount: It applies credit to the same contract.
- Supplier Retention: It takes credit from the source contract and applies to the target contract.

Note: You cannot use the Credit Memo Sweep program for credit memos that have multiple lines. To use the Credit Memo Sweep program:

- Modify the AR Grouping Rules setup to ensure that there is no grouping.
- Define the Application Receipt Method.
- Run the Master Credit Memo Sweep Contract program to start the Credit Memo Sweep Child programs.

Applying On-account Credit Memos to Invoice Lines

You can apply on-account credit memos to specific invoice lines. The Credit Memo Sweep program performs the following steps:

1. Create a zero amount receipt
2. Apply the receipt to the credit memo
3. Apply the receipt to the invoice line

Note: Credit memos are interfaced to Oracle Receivables without grouping.

Defining Credit Memo Application Rules

Credit Memo Application Rules (CMAR) defines how to apply a credit memo to an invoice. The CMAR process applies to discount, security deposit and supplier retention. CMAR targets invoices with following categories:

- Termination quote related invoices (Defined on T&C. For example, Contract Obligation and Quote Fee).
- Termination quote bill but not paid invoices.

If you define Contract Obligation for both discount and security deposit, the system applies the discount credit memo to Contract Obligation first.

To create Credit Memo Application Rules navigate to the Application Rules page. You can define CMAR that should be used when processing credit memos for the contract's invoices automatically.

For credit memo automatic application, you must:

- Set up one credit memo application rule for each credit memo type by operating unit and make it a default credit memo application rule.
- Define the billable stream types in the contracts to be covered by the credit memo and their order.
 - Discount credit memo, if created by release/rollover needs to be applied to rollover credit memo invoice for discount.
 - Discount credit memo, if created by non-release/rollover needs to be applied using CMAR.

Calculate Credit Memo Tax Lines Accurately

- Correct Credit Memo Dating: The correct credit memo tax lines can be calculated and accurate information can be sent to the tax engine. For termination, the credit memo transaction date should use the original stream element date.
 - The credit memos will be dated with the stream element date of the stream being credited.
 - The individual credit memos to be generated for each billed stream element for all terminations/expirations including partial termination in base term.

Termination billing adjustment credit memos during partial termination in base term will be generated based on 'Termination Billing Adjustment' system option and will not follow Rebook billing adjustment options.

- System Option for Termination Billing Adjustments: For termination processes, the Invoiced Based System option, in the Termination Billing Adjustments page, can be used to apply credit memos directly to the invoice line.
- System Option for Application Receipt Method: Use the Credit Memo Options

region of Operational Options page to select the 'Application Receipt Method' for credit memo sweep program for zero dollar receipt.

- Enhanced Matching Logic for Split Assets: For credit memos created for an asset that have been split during rebook, if no invoice match is found for that asset line associated to the credit memo, then the system will look for the parent asset line for a match.

Disbursements

This chapter covers the following topics:

- Disbursements Overview
- Disbursements Business Process
- Set Up Vendors and Pay Sites
- Vendor Disbursement Terms
- Generate Disbursements
- Passthroughs and Disbursements
- Investor Agreements and Disbursements
- Consolidate Vendor Disbursements
- Disbursements Integration with Oracle Payables

Disbursements Overview

Disbursements are payments to suppliers or other third parties for the cost of equipment, maintenance, insurance, and other service expenses. Some disbursements, such as passthrough and investor payments, are processed as the result of billing or cash receipt transactions.

Oracle Lease and Finance Management processes the following three primary disbursement types:

- Payments to suppliers for contract assets, expenses, services, and miscellaneous charges.
- Payments related to billing and receipts from customers for fees and services. This includes passthrough payments.
- Payments to investors in securitization agreements.

Disbursements Business Process

The Oracle Lease and Finance Management disbursements business process is outlined in the following table.

Step	Application	Description
Set Up Vendors and Pay Sites	Oracle Procurement or Oracle iSupplier	Set up new vendors and pay sites.
Define Vendor Disbursement Terms	Oracle Lease and Finance Management	Define vendor disbursement terms for your new or existing vendors and their pay sites.
Generate Disbursements	Oracle Lease and Finance Management	You can generate disbursements in Oracle Lease and Finance Management either through funding requests or by processing transactions, such as invoices or receipts, which result in related payments to third parties.
Consolidate Disbursements and Create Payables Invoices	Oracle Lease and Finance Management	Using concurrent programs and the vendors' disbursements terms, you consolidate and process disbursement transactions to create payable invoices in Oracle Payables.
Process Payments	Oracle Payables	Using Oracle Payables, you can review and approve invoices and make cash payments to vendors and suppliers.

Set Up Vendors and Pay Sites

You can set up vendors and pay sites in Oracle Procurement. Vendors are set up as suppliers and the supplier pay sites are included. To set up vendors and pay sites, see *Oracle Procurement User's Guide*.

Vendor Disbursement Terms

If you want to consolidate disbursements to a vendor onto a single payable invoice, schedule disbursements for payment or pre-number the payable invoice tax reference numbers, you must create vendor disbursement rules in Oracle Lease and Finance Management and associate them to your vendors' pay sites.

After you set up vendors and pay sites in Oracle Procurement or Oracle iSupplier, you can create vendor disbursement terms in Oracle Lease and Finance Management and associate them to one or more vendors. New vendors can be associated to existing terms or you can create a new term and associate vendors as part of the process. However, you can have only one valid term for the same vendor pay site, date and type of disbursement. This allows Oracle Lease and Finance Management to automatically process your disbursements and create payable invoices.

This section consists of the following tasks:

- Create Vendor Disbursement Terms
- Search Vendor Disbursement Terms
- Define Single Vendor Disbursement Term
- Search for Single Vendor Disbursement Term

Create Vendor Disbursement Terms

To define vendor disbursement terms, navigate to **Setup > Disbursements**, click Create and complete the following steps:

1. Define Term Attributes
2. Define Consolidation Parameters
3. Associate Vendors
4. Review

Step 1: Define Term Attributes

When you create a new disbursement term, you first enter term attributes. The following table describes values for disbursement terms.

Disbursement Term Attributes

Field	Description
Operating Unit	You must select an operating unit for the new term. You can select any operating unit authorized in your security profile. Only vendor pay sites within the same operating unit can be associated to the new term.
Term Name	Name of the Term.
Term Description	A short description of the term.
Effective From Date	The date after which the term can be applied to your disbursement transactions. You can also set an effective date range for each related supplier.
Effective To Date	The date after which the term will not apply to your disbursement transactions. The date of the transaction, not the date you prepare your invoices, is compared to the effective date range to determine the applicable term for a vendor pay site.

Specify Disbursement Types

Specify the types of disbursements that are subject to the term. For example, you may want to apply the term to only those payments you make for assets and expenses, but not for services. You decide which types of disbursements to include based on the purpose of the stream types associated with your disbursement transactions. The stream type purposes are defined in Oracle Lease and Finance Management and you cannot add purposes to the list.

For example, if you want the term to apply to passthrough payments made to third parties associated to your contracts, you select the stream type purpose Passthrough in the term attributes. Then when you associate that term to the vendor passthrough items on a contract that generate disbursement transactions for the vendor will use the term you created to determine whether to consolidate transactions, when to pay, etc.

Specify Dates for Disbursement Rule

Specify the dates for which the term is valid. Oracle Lease and Finance Management will prevent you from setting up multiple terms for the same vendor pay site for the same dates and disbursement type. Once your terms are set up, only the disbursement

transactions that match the other criteria and fall within the valid dates are subject to the processing rules in the Vendor Disbursement Term.

In the Disbursements search page, click Create to create a new term. Enter disbursement term attributes and click Next to move to Step 2.

Step 2: Define Consolidation Parameters

After you define the basis for applying the Vendor Disbursement Term, you can set up a schedule for consolidating disbursement transactions onto a single payable invoice. The following table describes the criteria by which disbursement transactions are automatically grouped.

There are two types of criteria used to group invoices: automatic and user-defined. The automatic criteria are applied because there are implicit rules in Oracle Payables about the types of disbursements that can be consolidated into an invoice. The other criteria are criteria you set up in your Vendor Disbursement Terms.

The following table describes the criteria used automatically to group your disbursement transactions.

Automatic Disbursement Transaction Grouping Criteria

Grouping Criteria	Description
Vendor Program	The Vendor Program associated to the contract.
Vendor and Pay Site	You can only group transactions together for a single vendor pay site and may not consolidate transactions for different vendors or pay sites onto a single payable invoice.
Payment Method and Payment Term	A consolidated payable invoice can only have one payment method and one payment term. Each disbursement transaction is associated with a payment method and payment term derived from the vendor or transaction you set up in Oracle Lease and Finance Management on a contract, agreement, request, etc. Only transactions with the same method and term can be grouped for consolidation.
Invoice Type	Define separate invoices.

Grouping Criteria	Description
Liability Account	<p>Oracle Payables uses only one liability account per invoice. So only disbursement transactions set up to derive the same liability account based on your accounting setups can be grouped together for a consolidated invoice.</p> <p>The liability accounts to be used across the disbursement transactions that need to be consolidated must to be the same. Payables requires the Liability account to be specified at the Invoice header level.</p>
Currency	<p>Only disbursement transactions with the same currency can be grouped together on a consolidated invoice.</p>
Funding Type and Insurance Policy Number	<p>Disbursement transactions from funding requests or associated to insurance policies cannot be consolidated with other types of disbursements.</p> <p>Caution: Please note that funding transactions cannot be consolidated with other Disbursement types.</p> <p>For Insurance Policy and Insurance Policy Frequency, note that insurance transactions cannot be consolidated with other disbursement types.</p> <p>Revolving Loan disbursements cannot be consolidated across contracts. Disbursements across disbursement types are possible. Currently, funding is the only permissible disbursement type for a revolving loan.++</p>
Contract Number	<p>Only used for disbursement transactions from Borrower Payments for Revolving Loans. Disbursements of this type cannot be consolidated across contract numbers.</p>

In addition to automatic consolidation, you can also set up a schedule for additional consolidation across disbursement transaction dates and disbursement types. For example, you can also specify values that will automatically consolidate on a particular

schedule

The following table describes criteria to group your disbursement transactions.

User-Defined Disbursement Transaction Grouping Criteria

Field	Description
Consolidate Across Invoice Dates	The enabled check box allows you to set up a disbursement schedule that may span multiple transaction dates for your eligible disbursements.
Frequency	Determines how often a payable invoice is generated to consolidate your eligible disbursement transactions.
Scheduled Month	Indicates the first month to begin the consolidation schedule.
Scheduled Day of the Month	Determines the day of the month to generate a consolidated invoice for your eligible disbursement transactions.
Consolidate Across Disbursement Types	The enabled checkbox allows you to group disbursement transactions of different types onto a single invoice. If you do not enable this option, you can still consolidate across transaction dates, but each eligible disbursement type you selected in Step 1 will appear on a separate invoice. Some disbursement types cannot be consolidated. See Disbursement Transaction Grouping Criteria in Step 2 above.

Additional Information: The values for Consolidate Across Invoice Dates and Consolidate Across Disbursement Types are used to group the eligible transactions after the implicit groupings are determined. If you do not enable one or both of the values, only disbursement transactions that have the same date and same stream type will be grouped. Then the disbursement schedule is derived using the Frequency, Scheduled Month, and Scheduled Day of the Month values.

Click Next to move to Step 3.

Step 3: Associate Vendors

To simplify the setup process, you can define the vendor disbursement term once, and then apply it to multiple vendor pay sites. You first select a vendor, and then you select each pay site you want to associate for the new term. You can specify the date range that the term applies to each vendor pay site and reserve a tax reference invoice number range. Oracle Lease and Finance Management tracks the numbers assigned, in order, and sends the next available number as the Supplier Tax Invoice Number when importing invoices into Oracle Payables.

Additional Information: Oracle Payables assigns an actual invoice number and you can set up numbering ranges and rules to generate logical invoice sequences.

You must select at least one vendor and one vendor pay site to create the new term. However, you will also be able to associate the term to a specific vendor as you add new vendor relationships

Click Next to move to Step 4.

Step 4: Review

After you review your work, click Finish to save the new term

Search Vendor Disbursement Terms

You can search and view vendor disbursement rules from the Disbursements page by navigating to **Setup > Disbursements**, entering search parameters, and clicking Go. You can also start the creation of new rules or view and update existing rules.

Your search views rules that span more than one operating unit, and include multiple vendors and pay sites.

Define Single Vendor Disbursement Term

You can also associate an existing disbursement term to a single vendor or vendor pay site by navigating to **Vendors > Disbursement Terms**.

To associate a vendor to a term, first select the operating unit of the term and vendor you want to associate then click Create. On the Create page, you first select a term you want to use for the vendor, then you select a vendor and at least one of the vendor's pay sites. You can apply the term to each pay site for a different date range. This allows you to add or remove pay sites from using the term for disbursement processing.

You can also set up a specific supplier tax invoice numbering sequence range for each site. See Step 3 for a description of the invoice number sequence range.

Search for Single Vendor Disbursement Term

After you create terms for your vendors, you can search for a term for a single vendor or pay site by navigating to **Vendors > Disbursement Terms**. From the search results, you can start the creation of a new association or view and update existing associations. You must select an operating unit value and enter at least one other search criteria value to conduct your search.

Generate Disbursements

Generate Disbursements Overview

To generate disbursements you must use one of the following processes:

- Complete and approve a funding request
- Set up and process a passthrough schedule on a contract, for fees, services, or evergreen
- Set up eligible investor agreement with a disbursement schedule
- Generate disbursements for insurance policies you purchase for your lessees from insurance providers

Important: Not all disbursement types can be consolidated. Please see Automatic Disbursement Transaction Grouping Criteria.

Oracle Lease and Finance Management uses the Vendor Disbursement Terms you set up and associate to your vendors and vendor pay sites to process the disbursement transactions you generate. For example, suppliers may request that you raise invoices on their behalf when certain types of payments, like passthrough payments, become due. Unless you want to group disbursements only for a specific contract, you must set up Vendor Disbursement Terms for those vendors in Oracle Lease and Finance Management to specify the processing rules to generate supplier invoices automatically. You can set up passthrough payment rules for a specific contract.

You can also specify conditions on how to consolidate different types of disbursements into a single invoice. Using Oracle Payables invoice line functionality, the details of each disbursement are available for each invoice line, such as contract number, stream type, asset number, and insurance policy number.

After you generate disbursement transactions, you must run a concurrent program to apply the Vendor Disbursement Terms you setup for your vendors and vendor pay sites, along with the implicit invoice consolidation parameters to create payable invoice records and populates the payable interface table. In order to complete the transfer of these records to Oracle Payables and create actual invoice transactions, you must run a

concurrent program.

Funding and Manual Disbursements

Funding and Miscellaneous Disbursements Overview

Oracle Lease and Finance Management defines funding as the payment for assets and expenses associated with the origination of a contract. The funding process allows you to generate payable invoices and make payments to vendors and suppliers for the items you add to your lease and loan contracts.

In Oracle Lease and Finance Management, the funded amount cannot exceed the inherent value of the contract at booking, excluding Manual Disbursement and Supplier Retention type fundings. In other words, you can fund the total cost of the underlying value of the contract, but not more than the total cost at the time of booking. The inherent value of a lease or loan contract includes the cost of the equipment assets financed on the contract plus any related expenses for fees and services. The inherent value does not include accrued interest paid prior to the start date or other such costs not included in the capital cost. Some items reduce the inherent value, such as trade-ins and down payments retained by a supplying vendor. This validation does not apply to fundings for revolving type loans.

If you also disburse funds to vendors prior to contract booking, through a pre-funding type request, you may temporarily have disbursed more than the inherent value of the contract. You should reverse the pre-funding amount by creating and approving an Adjustment funding request.

To avoid overfunding at booking or funding, you may configure your booking or funding request approval rules, or configure a checklist item on your funding or booking checklist. Once you create and approve funding requests, Oracle Lease and Finance Management creates disbursement transactions. You can associate rules to your vendors and vendor pay sites in Oracle Lease and Finance Management that are used to process the transactions and create invoices in Oracle Payables. To make cash payments to your vendors, you process and approve payments in Oracle Payables once you generate invoices for your disbursement transactions.

Funding Types

The following table describes Oracle Lease and Finance Management funding types to request funding for contracts.

Funding Types

Funding Type	Description
Pre-Funding	<p>You create Pre-Funding Type requests to disburse amounts before booking (activating) a contract when the amounts are not associated to any specific contract element, such as an asset or fee. To create a pre-funding request, you must first enable it on a contract by selecting the Eligible for Pre-funding checkbox on the contract header. Since pre-funding requests are not associated to any elements on a contract, you can create pre-funding requests for any amount and for any contract status prior to booking. To prevent a contract from being overfunded at booking, you can reverse the pre-funding by creating a pre-funding adjustment. You create a pre-funding adjustment by using a funding request type and entering a positive amount or negative amount, based on whether asset fundable amounts were increased or reduced as a result of the contract revision. You can automate the creation of adjustment funding requests based on an API enabler. If you use pre-funding requests, you can set up rules on the contract to calculate interest on prefunded amounts prior to booking and bill or capitalize the interim interest. You cannot create prefunding requests, prefunding adjustments, or charge interim interest after a contract is booked.</p>
Asset Funding	<p>You create Asset Type funding requests to pay equipment-supplying vendors. In order to fund assets, you must associate a Lease Vendor party to the asset on the Asset Details page of the contract in the Supplier Invoice section. Assets with no Lease Vendor cannot be funded. You may pay for all or a partial amount of an asset on a funding request, but you cannot pay for more than the asset cost. Subsidies associated to an asset can be netted from the funding total. For more information, See Subsidies.</p>

Funding Type	Description
Expense Funding	<p>You create Expense Type requests to pay for expenses you setup on contract fees and services. You may pay for all expenses or partial amounts but you may not pay for more than the total expense amount. If you set up an expense schedule (expenses due periodically for more than one period), you cannot pay for more expenses than are due as of the funding date you entered.</p>
Supplier Retention	<p>You create Supplier Retention Type funding requests to off set other funding amounts if a supplier has retained cash payments you would normally bill for a contract. The supplier retention does not reduce the fundable amount, but you can use the adjustment invoice in Payables to offset your final cash payments.</p>
Manual Disbursement	<p>You create Manual Disbursement Type funding requests to make payments to a vendor or supplier that you want related to the contract, but are not specific to any equipment asset or expense. A manual disbursement can be made while the contract is active or not, can be for any amount and is not included in the total fundable amount for the contract.</p>
Borrower Payments	<p>Applies only to Revolving Loans when a revolving loan is authored, associated to the credit line type Revolving, and booked. The revolving loan does not have any asset lines or payments defined, only the variable interest billing schedule and variable interest rates that apply. Borrowers Payments funding type can be requested for borrowers (customers in a contract) or third parties (vendors).</p> <p>On approval the funding request creates a payable invoice in Oracle Payables and is paid through Payables. Upon payment, the principal balance is updated on the Revolving Loan contract.</p>

Funding Summary

Based on your role, you may search, view, create, update, and approve funding requests from two locations in the Oracle Lease and Finance Management. Users who typically review and approve funding requests can access the funding summary from the Risk Management Funding Requests tab by navigating to **Risk Management > Funding Requests**.

Users who process contracts for activation can access the funding summary from the contracts detail page in the Funding subtab. You can select a contract and view the funding subtab by searching for a contract in the following menu locations: **Customers > Contracts, Operations > Contracts, Asset Management > Contracts**. The Funding Summary page displays the current funding status of a contract, the funding totals by category and allows you to create, view, update or submit a funding request.

Searching and Viewing Funding Requests

To find a funding request, you must first search for and select a contract. Select the contract and click the contract name hyperlink to view the contract details page. Click the Funding tab to view the funding summary.

Any existing funding requests are displayed in a summary table. From the summary table, you can perform the following actions:

- View a request
- Submit a request for approval
- Cancel the request
- Create a new request

Searching for Funding Requests

You can find funding requests by performing a list search in the **Funding Requests** tab of the **Risk Management** page. List search is a search tool that helps retrieve information quickly and easily.

Perform the following steps:

1. Click **Show Filters**.

Note: You can hide filters by clicking **Hide Filters**.

2. Select the objects using the following filters:
 - Operating Unit (mandatory field)
 - Contract Number

- Contract Status
- Contract Description

You can also include the following additional filters to the search criteria by clicking **Add**:

- Funding Status
- Funding Type

Note: You can remove the additional filters from the search criteria by clicking the remove filter icon next to each added criteria.

3. Click **Go**.

The search results are displayed.

You can save searches by performing the following steps:

1. After selecting filters, click **Save**.
2. Perform the following actions in the **Create Saved Search** region:
 1. Enter a name for the saved search in the **Name** field.
 2. Select the **Display in Tile** checkbox to display a tile having this search's details in the **Funding Request** tab.

Additional Information: Tiles display the count of search records for the defined search filters. This count can be refreshed by clicking the refresh icon present on each tile. Clicking on a tile will show the filters selected for this saved search.

3. Select the **Set as Default** checkbox to make a saved search as the default search.
4. Click **OK**.

Even if a saved search is not saved as a tile, it will be displayed in the drop down beside **Show Filters/Hide Filters**. You can manage saved searches by clicking **Manage Saved Search** in this drop down.

Note: You can disable list search using the **Disable List Search** button in **Table Diagnostics**. After disabling list search, you can locate funding requests by performing either a simple or advanced search.

A simple search on the **Funding Request** tab includes the following parameters:

- Operating Unit (mandatory field)
- Contract Number
- Contract Status
- Contract Description

An advanced search allows you to expand or refine their search criteria.

Viewing a Request

To view a request, click on the hyperlink request number. The view page displays all pertinent information about the request. For Asset Type funding requests, you can also see a table of assets on the request.

Update a Request

To update a request, click Update. Submitted or cancelled requests cannot be updated. Use the Asset Lines tab in the Funding Request details page to search for assets, update, delete, and add assets associated with the contract. You can change the request amount on the Update page.

Click Apply to save your update changes.

Submitting a Request

To initiate the funding approval workflow for a completed request, you can either click Submit for a funding request from the funding summary table or click Submit from the request details page.

When you submit a funding request, any related funding checklist items are evaluated and marked as Pass/Fail. The details of the pass or fail status of the checklist items is passed to the seeded workflow so the funding request approver can view them. You can associate checklist items to your contract template, a lease application template used to create your contract or to a credit line associated to your contract or the master lease agreement associated to your contract.

You can configure the funding approval flow to route the approval to an approval hierarchy including a hierarchy you have setup in Oracle Approvals Manager.

Cancel a Request

If you decide you want to discard a request, you can cancel it. You cancel a request by clicking Cancel for the request in the funding summary table. Once you cancel a request it cannot be updated or submitted for approval. Amounts on a cancelled request are not counted in the funding total. You cannot cancel requests that have already been

approved.

Create Funding Request

Funding Request Prerequisites

Before creating a funding request, you must have completed the following prerequisites:

- Created vendors and associated pay sites.
- If required by your process, you have setup and associated a Vendor Disbursement Term to the vendor and pay site in Oracle Lease and Finance Management.
- Created a contract header, assets, fees or expenses as required by the funding type.
- Set up the vendor as a Lease Vendor party for the contract. For Asset Type fundings, you have associated the vendor to the asset on the asset details page in the contract in the Supplier Invoice section.
- In order to approve requests, you must have meet all of the conditions for any associated checklist.

Create Funding Request Procedure

To create a funding request, complete the following steps.

Step 1: Define the Funding Request

From the funding summary page, select the funding type you wish to create and click Go to launch the Funding Request Creation train. After you save your work in the first step, you can cancel the train and return to complete the request later. Enter the required and optional fields to create the funding request. The fields you enter depend on the funding request type you selected.

The following table describes funding request fields and types:

Funding Request Fields and Types

Field Name	Description	Funding Request Type
Funding Request	The name of the funding request.	All

Field Name	Description	Funding Request Type
Vendor Number	<p>The payable account number of the vendor you want to pay.</p> <p>If you are making a Borrower Payment (that is, paying a customer/vendor), you must have setup a supplier account in the Disbursement Details for your Lessee party on the contract. That vendor is used automatically as the vendor for your request.</p>	All
Vendor Site	<p>The pay site for the vendor to which you will make the payment.</p> <p>If you are making a Borrower Payment (ie, paying a customer), you must have setup a supplier account in the Disbursement Details for your Lessee party on the contract. That vendor pay site is used automatically as the vendor pay site for your request.</p>	All
Payment Method	Select the payment method you will use to make the cash payment to the vendor.	All
Pay Group	If you intend to group payable invoices together for payment processing purposes, you may assign a Pay Group. For more information on using Pay Groups, see <i>Oracle Payables User Guide</i> .	All

Field Name	Description	Funding Request Type
Payment Term	<p>Determines the basis on which you calculate the date you intend to make a payment to the vendor. Select a term based on your agreement with the vendor.</p> <p>Select a term that is not Immediate may impact the payment processing dates in Oracle Payables in addition to the Due Date you enter for the disbursement transaction.</p>	All
Date Due	<p>The date the payment to the vendor is due. This is the disbursement transaction date. The disbursement transaction date determines the valid disbursement terms that may apply for the selected vendor and vendor pay site.</p>	All
Amount	<p>Enter the amount you want to pay for this funding request. For expenses related to fees and services, the amount may not exceed the value of the expenses due based on the due date you enter (ie, you cannot overfund expenses).</p>	Expense, Manual Disbursement, Pre-Funding, Supplier Retention, Borrower Payment

Field Name	Description	Funding Request Type
Stream Type	<p>Select the stream type to associate to the funding request.</p> <p>For pre-funding and borrow payment type requests, you setup a single stream type on your stream generation template for the purpose associated with the funding request type. The single stream type associated is automatically selected for your requests.</p> <p>For more information on setting up Stream Generation Templates and Stream Types, see the <i>Oracle Lease and Finance Management Implementation Guide</i>.</p>	Expense, Manual Disbursement, Supplier Retention
Quick Fund Checkbox	<p>Select Quick Fund Assets to fund the full amount of all the assets associated to a contract. You will see a summary of the assets and amounts on the next train step and can make adjustments. If you do not select Quick Fund, then you must select specific assets.</p>	Fund Asset

You can use the **Funding Request Additional Information** descriptive flexfield to view or update additional information on funding requests. This descriptive flexfield is available in AP line level, that is, if the funding request interfaced to AP, the descriptive flexfield information is also provided on AP lines.

Step 2: Select Assets and Enter Amounts

If you are funding assets, the second step of the train allows you to view and update the list of assets to fund. Otherwise, the train goes directly to the Funding Checklists page. If you selected the Quick Fund checkbox on the funding request step, you can view the assets and amounts. Otherwise, click Add Assets.

On the Add Assets page, you can search for and select assets from the contract to fund. Once you add assets to your funding list, you can enter the amount you want to pay. You can fund any partial amount up to the full cost of the asset. By default an amount for any subsidy related to the asset with the method Net is automatically calculated for

you proportionally to the funding amount you entered. You can update the subsidy amount for any partial subsidy amount up to the total amount of subsidy to be collected for the asset. You can update or remove assets from the list by selecting the assets and clicking Remove or Update.

Click Apply to save your changes.

Even if you selected Quick Fund, you can update the assets and amounts you want to fund. To update the amount, select the assets you want to update and click Update, then enter the new amount and click Apply. To remove assets from the list, select the assets and click Remove.

Click Next to go to the next step.

Step 3: Evaluate Funding Checklists

From the checklists page, you can view and update the items of the checklist applicable to the contract. Any related funding checklist items are evaluated and marked as Pass/Fail. The details of the pass or fail status of the checklist items is passed to the seeded workflow so the funding request approver can view them. Only checklist items designated for funding are displayed on the checklist. You can associate checklist items to your contract template, a lease application template used to create your contract or to a credit line associated to your contract or the master lease agreement associated to your contract.

After completing the checklist items, you can either save your request or submit it to the approval workflow. You can cancel a request at any step of the train before you submit the request for approval.

Funding Request and Credit Checklists

Oracle Lease and Finance Management allows you to set up and execute checklists to track activities and action items during the process leading up to funding approval. You determine the items in the checklists and control who can update the checklist based on roles and responsibilities in the credit and funding process.

If you are the credit manager, you can create a checklist of required activities (for example, tasks, documents, and approvals) to be completed prior to approval of a funding request.

Oracle Lease and Finance Management uses the following types of checklists:

- Funding Request Checklist
- Funding Checklist for a Lease Application Template
- Credit Line Checklist

Funding Request Checklist

You associate a funding request checklist template to a credit line prior to credit line activation. Each time you create a funding request for a contract associated to the credit

line, a copy of the funding request checklist template is created and you perform the action items on the funding request checklist prior to approval of funding.

A funding checklist can also be attached to a Lease Application Template. For information on Lease Application Templates, see [Create And Manage Lease Application Templates](#). When you use a Lease Application as the source for a new contract, any funding items on the checklist associated to the Lease Application's template are performed for funding requests you create for that contract.

At the time of funding approval, the funding approver receives a notification informing them that a funding request is ready for their approval. The notification contains a status for items on the checklist. The notification shows an error message if any mandatory items are not checked off. The funding approver receives a warning message if all mandatory items are checked off but any recommended items are not checked off. You can configure your approval workflow to take specific actions, if necessary, based on the status of checklist items.

When the final funding approver approves a funding request, it is made available to the Oracle Lease and Finance Management disbursement process, which occurs when the Pay Invoice Transfer concurrent program is run.

Credit Line Checklist

You can set up checklists that are used to track items required to activate a credit line. When you create a new credit line, you associate a checklist. The checklist items are evaluated when you submit the credit line for approval to activate it.

For more information Credit Line Checklists, see [Credit](#).

To set up a credit checklist, see [Set Up Credit Checklist](#), Oracle Lease and Finance Management Implementation Guide.

Passthroughs and Disbursements

For information on passthrough disbursements, see [Passthroughs](#)

Investor Agreements and Disbursements

For information on disbursements in investor agreements, see [Disbursement Processing](#), Investor Agreements.

Consolidate Vendor Disbursements

The following examples show how to consolidate vendor disbursements in different scenarios.

Disbursement Invoice Date In The Past

The following vendor disbursement scenario shows how disbursement transactions are consolidated if the invoice date is in the past.

Disbursement Term

Frequency	Quarterly
Start Month	January
Start Date	1

Important: Assume all transactions have the same implicit parameters, vendor site, and stream type purpose.

Sequence	Invoice Date
1	January 10, 2007
2	February 2, 2007
3	March 3, 2007
4	April 4, 2007
5	May 5, 2007
6	June 30, 2007
7	July 7, 2007
8	August 8, 2007
9	September 9, 2007
10	October 10, 2007
11	November 11, 2007

Sequence	Invoice Date
12	December 12, 2007

Scenario 1

Sequence	Invoice Date	Consolidated Invoice Date
1	January 10, 2007	April 1, 2007
2	February 2, 2007	April 1, 2007
3	March 3, 2007	April 1, 2007
4	April 4, 2007	July 1, 2007
5	May 5, 2007	July 1, 2007
6	June 30, 2007	July 1, 2007
7	July 7, 2007	October 1, 2007
8	August 8, 2007	October 1, 2007
9	September 9, 2007	October 1, 2007
10	October 10, 2007	December 1, 2007
11	November 11, 2007	December 1, 2007
12	December 12, 2007	January 1, 2008

Disbursement Invoice Date During Consolidation

The following scenario shows how vendor disbursement transactions are consolidated if the invoice date is during consolidation.

Scenario 2

Sequence	Invoice Date	Consolidated Invoice Date
1	January 10, 2007	April 1, 2007
2	February 2, 2007	April 1, 2007
3	March 3, 2007	April 1, 2007
4	April 4, 2007	July 1, 2007
5	May 5, 2007	July 1, 2007
6	June 30, 2007	July 1, 2007
7	July 7, 2007	October 1, 2007
8	August 8, 2007	October 1, 2007
9	September 9, 2007	October 1, 2007
10	October 10, 2007	December 1, 2007
11	November 11, 2007	December 1, 2007
12	December 12, 2007	January 1, 2008

Additional Information: The invoice date is a group parameter. This means that transactions cannot be consolidated if invoice dates are not the same.

Disbursements Integration with Oracle Payables

After you have set up vendor disbursement rules and generated disbursements, the disbursement programs you run will use the new rules you created to consolidate, process, and generate payables invoices that can be viewed in Oracle Lease and Finance Management or the Oracle Payables Invoice Workbench. Once your invoices are created in Payables, you can use Payables to process payments for your invoices.

Viewing Payables Invoices

Oracle Lease and Finance Management integration with Oracle Payables allows multiple options for viewing invoices for disbursement transactions. You have the following options to view invoices generated and imported into Payables.

- Vendor Self-Service
- Payables Invoice Workbench
- Investor Management Tab
- Vendor Disbursement Center
- Finance Tab

Vendor Self Service

Your vendors can search for and view invoices for their accounts when you set them up to use Vendor Self-Service. Once disbursements have been processed and invoices generated and imported into Oracle Payables, a vendor can search for them in the Vendor Self Service portal.

To search for an invoice, navigate to **Sales > Disbursements** and enter search criteria.

After searching for an invoice, the vendor can view invoice details such as invoice line details and payment information.

Payables Invoice Workbench

You can search for and view Oracle Lease and Finance Management invoices in the Oracle Payables Invoice Workbench.

Investor Management Tab

You can search for and view invoices generated for investors by navigating to **Investor Management > Transactions > Payables Invoices**. Search criteria include invoice number, invoice date, investor agreement number, of investor name.

You still use existing consolidation rules on your investor agreements to consolidate investor disbursements into a single invoice. You can view the contract number for each line on the consolidated investor disbursement payable invoice.

Vendor Disbursement Center

You can search for and view invoices for vendors in the Vendor Disbursement Center, which allows you to view the details of an invoice line from the Disbursements view. To view an invoice, you can search by date or pay site.

After searching for a vendor's invoice, you can click on an invoice to see invoice line

details. The disbursement type, asset number, contract number, and contract line type are shown for each invoice line. You can also view payment details for the invoices you paid using Oracle Payables payment processing.

Finance Tab

You can view invoice transaction accounting by navigating to **Operations > Transactions**. The invoice line view shows details for each line in addition to the accounting entries.

Part 7

Quote to Termination

Termination Quotes

This chapter covers the following topics:

- Overview
- Create Termination Quote
- Search for Termination Quote
- Termination Quote Templates
- Provide Quote
- Terminate Assets Using a Program
- Obtain Third-Party Approval for Repurchasing Leased Asset

Overview

Termination quotes allow contracts, or assets on a contract, to terminate early or at the expiration of the contract. When a contract is terminated with the purchase of the asset, the asset becomes off-lease and is available to the asset-return-to-disposal processes for remarketing or disposal.

The section includes the following topics:

- Reasons for Termination Quotes
- Levels of Termination
- Forms of Termination Quotes
- Types of Termination Quotes
- Methods of Termination Quote Acceptance
- Supported Contract Stages for Termination Quotes

- Supported Combinations of Quote Line Types
- Supported Contract Statuses for Termination Quotes

Reasons for Termination Quotes

Reasons for termination quotes include the following:

- The lessee wants to terminate the contract early and requests a termination quote. Termination quotes identify the financial impact of the termination. Various business rules that you specified in the contract's terms and conditions are the basis of calculating the financial impact of a termination quote. The lessee would make a choice:
 - Accept the quote and terminate the contract.
 - Continue with the contract to normal expiration.
- In certain situations, the lessee can require a termination quote at contract expiration. For example, prior to contract expiration if the lessee wants to purchase the asset, then you can generate a termination quote to determine the end-of-term purchase option. The lessee would have the option to accept or not accept the termination quote
- The lessee wants to terminate some of the assets of a contract, without transferring the assets to another contract and terminating the contract.

Levels of Termination

Oracle Lease and Finance Management supports the following levels of termination:

- Termination of a complete contract
- Termination of an asset line on a contract, or all the units of an asset line on a contract
- Termination of some, but not all, of the units of an asset line on a contract; if the asset has a serial number, you specify the serial numbers of the asset units that you want to terminate

The termination of an asset line, or of some of the units of an asset line, is called a *partial termination*, or *asset-level termination*. Asset-level termination rebooks the original contract, without the terminated assets, with updated yields and insurance, and new contract-level and asset-level streams.

Contract terms and conditions define asset termination, including whether partial termination is allowed. The quotation process identifies the financial impact of the contract termination.

Forms of Termination Quotes

Oracle Lease and Finance Management allows the following two forms of termination quotes:

- Standard
- Manual

Standard Termination Quote

Oracle Lease and Finance Management generates a standard termination quote based on the terms and conditions set up in a contract.

Manual Termination Quote

Oracle Lease and Finance Management generates a manual termination quote when you bypass the terms and conditions of a contract and select the quote elements as you create the quote.

Note: Even if the contract's Termination Quote Process terms and conditions include the condition that partial termination is not allowed, you can create a partial termination quote using a manual termination quote.

In both standard and manual termination quotes, you can quote to terminate either the whole contract, or complete asset lines, or some of the units of individual asset lines.

You can also terminate assets without an explicit quote, by first entering a list of assets to terminate into an interface table, and then running a concurrent program.

Note: All amounts specified in a termination quote are in the contract currency.

Types of Termination Quotes

Oracle Lease and Finance Management supports the following types of termination quotes:

- **Termination - With Purchase:** For any lessee or guarantor who wants to purchase the asset.
 - **Termination - Without Purchase:** For any lessee or guarantor who does not want to purchase the asset.
 - **Termination - Rollover To New Contract With Purchase:** For any lessee or

guarantor who has an existing contract, and wants to purchase the asset and finance the termination quote amount.

- **Termination - Rollover To New Contract Without Purchase:** For lessee or guarantor who has an existing contract, does not want to purchase the asset, but wants to finance the termination quote amount.
- **Termination - Recourse With Purchase:** For a vendor who wants to terminate the contract and/or purchase the asset based on the terms and conditions of the Vendor Program Agreement.
- **Termination - Recourse Without Purchase:** For a vendor who wants to terminate the contract based on the terms and conditions of the Vendor Program Agreement.
- **Termination - Automatic Release Without Purchase:** For anyone who wants to release the assets from one contract to another.

Note: The standard termination quote search, available when you navigate the path Asset Management > Quotes > Termination Quotes, allows you to see the full list of termination quote types.

You can also search for just the manual termination quotes when you navigate the path Asset Management > Quotes > Manual Termination Quotes.

If you are creating a standard termination quote, the valid quote types are:

- Termination - With Purchase
- Termination - Without Purchase
- Termination - Rollover To New Contract With Purchase
- Termination - Rollover To New Contract Without Purchase
- Termination - Recourse With Purchase
- Termination - Recourse Without Purchase

Note: The following quote types use the terms and conditions in the lease or loan contract:

- Termination - With Purchase

- Termination - Without Purchase
- Termination - Rollover To New Contract With Purchase
- Termination - Rollover To New Contract Without Purchase

The following quote types use the terms and conditions in the associated vendor program:

- Termination - Recourse With Purchase
- Termination - Recourse Without Purchase.

If you are creating a manual termination quote, the valid quote types are:

- **Termination - Manual With Purchase:** For any lessee or guarantor to whom we have issued the manual termination quote and who wants to purchase the asset.
- **Termination - Manual Without Purchase:** For any lessee or guarantor to whom we have issued the manual termination quote and who does not want to purchase the asset.

Note: The following quote types do not use the terms and conditions in the lease or loan contract nor the terms and conditions in the vendor program:

- Termination - Manual With Purchase
- Termination - Manual Without Purchase

Process Off Lease Transactions on Termination

The system option, **Process Off Lease Transactions on Termination**, enables the required transactions in asset books for the underlying asset to be returned to the lessor take place at the same time the termination is processed, for a termination without purchase. You do not have to wait till the asset is returned or any other event. It is available at the organizational level as a check box under **Setup: System Options: Operational Options: Termination Options: Processing Options**.

Methods of Termination Quote Acceptance

The methods of quote acceptance are:

- Upon Receipt: Termination quote acceptance on receipt of the quote amount is available through lockbox functionality. When the amount of the termination quote

is received through lockbox, identified with the termination quote number in the lockbox file, and meets specific validation for acceptance of the termination quote, the termination quote is accepted.

- **Pre-Proceeds:** The contract terminates upon acceptance notification. The selection of Pre-Proceeds overrides the default Upon Receipt termination quote acceptance method.
- **Booking or Rebooking:** On booking and rebooking of a new contract, the termination quote will automatically be accepted. Examples of this are rollover and release contracts.

Supported Contract Stages for Termination Quotes

The current termination quote process supports quote generation at the following stages of the contract's life:

- Before the end of term
- At the end of term
- During the Evergreen period

Note: The parameter End of Term Tolerance Days in the contract's Termination Quote Process terms and conditions controls what is considered an *early termination* as opposed to an end of term termination. End of Term Tolerance Days specifies the number of days prior to the contract end date during which a termination quote is for an end of term termination; any termination quote before this is an early termination quote.

At all of these stages, you can generate quotes to include or exclude the purchase of the asset.

Supported Combinations of Quote Line Types

The following table shows valid combinations of quote line types and contract situations for termination quotes.

Supported Quote Line Types

Line Type	Applicability Based on Terms and Conditions	Ability to Specify Formula on Contract	Updatable After Creation of Quote	Define Stream for Billing and Accounting
Purchase Option Amount	Yes	Yes	Yes	Yes
Contract Obligation	Yes	Yes	No	Yes
Unbilled Receivables	Yes	Yes	No	Yes
Principal Balance	Yes	Yes	No	Yes
Discount Rate	Yes	Yes	Yes	Yes
Termination Penalty	Yes	Yes	Yes	Yes
Security Deposit	Yes	Yes	No	No
Return Fee	Yes	Yes	Yes	Yes
Rollover Incentive	Yes	Yes	Yes	Yes
Quote Fee	Yes	Yes	Yes	Yes
Estimated Property Tax	Yes	Yes	Yes	Yes
Outstanding Balance	Yes	No	No	No
Service & Maintenance	Yes	No	No	No
Contractual Fees	Yes	No	No	Yes

Line Type	Applicability Based on Terms and Conditions	Ability to Specify Formula on Contract	Updatable After Creation of Quote	Define Stream for Billing and Accounting
Tax/VAT	Always applicable	Yes (at site level)	No	No
Estimated Billing Adjustment	Always applicable	No	No	No
Miscellaneous	Yes	Yes	Yes	Yes

Supported Contract Statuses for Termination Quotes

Certain processes--such as termination quote, restructure quote, request termination, and contract expiration batches--are based the contract status. The following table shows supported combinations of the termination quote process and contract statuses.

Supported Contract Statuses for Termination Quotes

Contract Status	Process: Termination Quote
Booked	Yes
Evergreen	Yes
Under Revision	No
Abandoned	No
Complete	No
Incomplete	No
New	No
Passed	No
Litigation Hold	Yes

Contract Status	Process: Termination Quote
Termination Hold	Yes
Approved	No
Pending Approval	No
Amended	No
Reversed	No
Terminated	No

Auto Termination

When an Asset Manager accepts a termination quote for a fixed rate contract, the Oracle Lease and Finance Management termination process will verify that billing and accrual have been processed for the contract until the quote Effective From date.

If billing has not been processed, Oracle Lease and Finance Management will automatically run a billing program to complete the termination. If accrual has not been processed, Oracle Lease and Finance Management will automatically run an accrual program for fixed rate contracts to complete the termination.

Termination Quotes for Repossession

Repossession Overview

For delinquent loans, lenders need to be able to repossess assets on the contract. Oracle Lease and Finance Management enables the repossession of loan assets through the existing Termination Quote infrastructure. Oracle Lease and Finance Management allows users to terminate loan contacts and repossess assets on the contract. Repossessed assets are created in Oracle Fixed Assets using user-defined values.

The accounting process for repossessed assets is supported by Oracle Subledger Accounting. Termination quotes for repossession functionality is not enabled for the account derivation method of Accounting Template Set (ATS).

Asset Managers or Operation Managers can perform the following steps to repossess loan assets.

1. Create a termination quote for repossession
2. Process repossessed assets

3. Post-processing of repossessed assets (remarket, scrap, re-lease)

Repossession Setup

Before termination quotes for repossession can be processed, you must complete the setup tasks for repossession. To set up termination quotes for repossession, see *Termination Quotes for Repossession Setup, Oracle Lease and Finance Management Implementation Guide*.

Repossession Process

When a loan is delinquent, you begin the repossession process by creating a repossession request in Oracle Lease and Finance Management. The following table outlines the repossession request process.

Repossession Request Process

Field	Description
Create Termination Quote for Repossession	Create a termination quote for repossession of the type Termination - Manual Without Purchase
Update Termination Quote for Repossession	Optionally, you can update the asset details and repossession quote amounts.
Submit Termination Quote for Repossession for Approval	The Approver reviews the repossession request and approves the termination quote for repossession. On approval of the repossession request, asset return requests are created in Scheduled status.
View and Update Asset Return Request	You can view and update the asset return request created for a repossession quote.
Accept Termination Quote for Repossession	Accept the termination quote for repossession to process the contract termination. The repossessed asset is created and accounted for in Oracle Fixed Assets.

Field	Description
Asset Repossession Report	At any point in the process, you can generate an Asset Repossession Report for loans by running the Generate Pending Asset Repossession Report for Loans concurrent program. Reports are run for an operating unit or for a contract in the operating unit.

Create Termination Quote for Repossession

1. To create a termination quote for repossession, navigate to **Customers > Contracts** and query the loan contract for which you want to create a repossession quote.
2. Select **Terminate** and click **Go**.
3. Select Termination Quote for Repossession from the Create dropdown menu and click **Go**. This will create a manual termination quote of the type Termination - Manual Without Purchase.
4. You can select the Repossession Quote reason or you can define a new quote reason.

Update Termination Quote for Repossession

1. To update asset details and repossession quote amounts, navigate to **Asset Management > Termination Quotes > Update Termination Quote**.
2. Optionally, you can modify the Effective To date on a termination quote for repossession to NULL.

Submit Termination Quote for Repossession for Approval

1. To submit a termination quote for repossession to the Approver, navigate to **Asset Management > Termination Quotes** and search for the repossession quote to be submitted.
2. Click **Submit**.

Approval Conditions

The following conditions apply to this process:

- Upon Approval, asset return requests are created for all assets on the approved repossession quote.
- You can Approve multiple repossession quotes for a contract.

- The type of Asset Return created for a Termination Quote for Repossession is Repossession Request.
- The Approval workflow process will check if an Asset Return exists for any or all of the assets on the repossession quote. If an asset return exists in a status other than Cancelled, another asset return for the existing asset will not be created. If an asset return exists in a Cancelled status, an asset return in Scheduled status will be created.
- Asset returns for all assets on the repossession quote must exist in valid status. The status cannot be Cancelled.

View and Update Asset Return Request

1. To view or update an asset return request navigate to **Asset Management > Return Requests**.
2. Query the contract number or asset number of the Repossession Quote in the Asset Return Request page. The Asset Return Request for the assets on the repossessed contract is displayed with a return status of Scheduled.
3. To update an Asset Return Request, select Update Asset Return Details from the Asset Return dropdown menu and click **Go**.

The following table describes Asset Return Request fields:

Asset Return Request Fields

Field	Description	Mandatory or Optional
Return Status	Status of the Asset Return	Mandatory
Date Notified	Date notification was sent	Optional
Date Title Returned	Date the title was updated	Optional
Date Returned	Date the asset was returned	Mandatory
Remarketer	Name of the remarketing agent	Optional
Date Return Value	The due date of the asset return	Optional

Field	Description	Mandatory or Optional
Return Value	The fair market value of the asset on the date it was returned	Mandatory
Comments	Recorded notes or comments	Optional

Accept Repossession Quote

Prerequisites

Before a repossession quote can be accepted, the following conditions must apply:

- Billing and accruals of the repossession quote must be complete till the repossession quote Effective From date.
- All asset returns for the contract should be updated to Repossessed status prior to accepting the termination quote.

Steps

1. To accept a repossession quote, navigate to **Asset Management > Termination Quotes > Update Termination Quote** and query the contract for which you want to accept repossession quote.
2. Select the Accepted checkbox and click **Update**.

The repossession quote will be accepted and the process will trigger the Termination workflow. The contract will be terminated and the assets will automatically be created in Oracle Fixed Assets with the values derived from the loan repossession setups.

Evaluate a Repossessed Asset

To value the repossessed asset, the Loan Administrator must determine its Fair Market Value (FMV). When the FMV is determined, the Loan Administrator can manually writedown the value in Oracle Fixed Assets to FMV if the fixed asset value is less than the FMV.

For more information on the process, see *Oracle Assets User Guide*.

When these steps are completed, the repossessed asset is ready to be remarketed, scrapped, or re-leased onto another contract.

Asset Repossession Report

To create an Asset Repossession Report, run the Generate Pending Asset Repossession Report for Loans concurrent program. This report will display all Approved repossession quotes and associated asset returns. The report can be run for all contracts in an operating unit, or for a single contract in an operating unit.

Create Termination Quote

Creating a termination quote involves identifying the contract and asset for which you are creating the quote.

Use this procedure to create a termination quote. In this procedure, you select a contract to place it in context of the quote. You can specify an Effective Date of the quote. The Effective Date can be a prior date or a future date. If the Effective Date is not specified, the system date will default. You can also choose whether to terminate some or all of the units of each asset line of the contract.

The business rules of the contract determine the type of the termination quote.

For example:

- You cannot create an early termination quote if the terms and conditions do not allow early termination quotes
- You cannot create a standard termination quote if the terms and conditions allow manual termination quotes only

For standard termination quotes, the amount is calculated based on the terms and conditions set up when the contract is booked.

You can create a manual termination at any time after contract booking. When you create a manual termination quote, you initially follow similar procedures as for creating a standard termination quote. The initial quote amount generated when you create a manual termination quote is simply the value of the outstanding receivables. You normally then edit the manual termination quote by adding your own quote type lines and additional amounts.

The Estimated Billing Adjustment quote line cannot be modified.

Termination Quote Roles

Five roles are available for termination quotes:

- **Recipient:** The party to whom you are issuing the termination quote. If you have only one recipient, you do **not** specify any value in the Percentage field.
- **Additional Recipient:** An optional second party to whom you are issuing the termination quote. If you specify an additional recipient, you **must** specify the percentage share of billing the additional recipient.
- **Approver:** The person who reviews and approves the termination quote before the recipient receives the termination quote.
- **Advance Notice:** The person who receives notification of the termination quote for a specified number of days before the system sends the termination quote to the

recipient. If you specify an advance notice role, then you **must** specify the number of days delay in the Advance Notice Delay Days field.

Note: You cannot specify both the Approver role and the Advance Notice role in one termination quote.

- **Courtesy Copy:** A third party whom you want to notify of the termination quote for informational purposes.

Prerequisites

Your contract must have the following:

- One or more assets
- A terms and conditions parameter that permits this type of termination quote
- For standard termination quotes, terms and conditions set up for the required termination quote calculations
- A contract status that permits this type of termination quote.

Steps

Perform the following steps using the Termination Quotes page:

1. Select the applicable option in the Create field and click Go.

The Create Termination Quote page opens.

2. Select the operating unit.

Note: The list of values includes operating units assigned to the MO: Security profile.

Additional Information: The selected operating unit restricts the valid list of values in applicable fields.

The application displays the selected operating unit as the default in the subsequent pages irrespective of the value that you set for the MO: Default Operating Unit profile option.

3. Select the contract number for which you want to create the termination quote.
4. Enter the Effective Date for the quote.

5. In the Quote Type field, choose a quote type.
6. In the Quote Reason field, choose the reason for the quote.

This is a required field.

Note: The list of values in the **Quote Reason** drop down is based on the access levels defined for the seeded FND lookup type OKL_QUOTE_REASON.

7. In the Comments field, enter any optional comments that you may want to include.

Assets

1. In the Assets area, select one or more assets to which you want to apply the termination quote.
2. For each selected asset, enter the number of units to terminate.

The number of units to terminate can be less than the number of units on the asset line of the contract.

If you select all the assets, and do not alter the default number of units to terminate, then this results in a full termination quote; if you do not select all assets, or reduce the number of units to terminate, then this results in a partial termination quote.

Parties

1. During the authoring of the contract, party details may be specified among the Termination Quote Process terms and conditions. If specified, they serve as default values for termination quotes.

You may override the default values by selecting and entering values in the fields in the Parties section of the Create Termination Quote page, to satisfy the following conditions:

- **Recipient:** You must select a contract role in the Recipient row.
- **Additional Recipient** (optional): If you want another recipient for the quote, select a contract role in the Additional Recipient row, and in the Additional Recipient Percentage field further down the page, enter the percentage by which you are splitting the billing for that additional recipient.
- **Approver** (optional): This is the party to approve the termination quote before it is sent. If you select a contract role in the Approver row, then you must leave the Advance Notice row blank, and you must not complete the Advance Notice Delay Days field.

- **Advance Notice** (optional) is the party who receives notification before the quote is sent. If you select a contract role in the Advance Notice row, then you must leave the Approver row blank, and you must also complete the **Advance Notice Delay Days** field further down the page, which specifies the number of days to delay before the quote is sent.
- **Courtesy Copy** (optional) is the party to notify for informational purposes.
- You may enter the email address for any contract role that you select.

Note: You cannot specify both the Approver role and the Advance Notice role in one termination quote.

2. Click Apply.

Your quote number and quote amount appear in the Termination Quotes or Manual Termination Quotes page.

If you are creating a standard termination quote, this completes the process.

If you are creating a manual termination quote, at this point you have created a basic outline of the manual termination quote, to which you generally add your own quote type lines and additional amounts. For more information, see Add or Remove Manual Termination Quote Lines.

Termination of Usage Contract Lines

When you terminate a usage line in a Oracle Lease and Finance Management contract, the usage line is automatically terminated in the related Oracle Service Contract (OKS). The business process for terminating a usage contract line consists of the following:

1. Process a termination quote for a contract in Oracle Lease and Finance Management that has a usage line.
2. Terminate the usage line in Oracle Lease and Finance Management.
3. View the terminated line on the associated service contract.

There are certain conditions in which the contract in OKS is terminated versus only when the line is terminated. The OKS contract gets terminated when the Oracle Lease and Finance Management contract is terminated along with any usage lines, in case of full termination. The OKS usage line gets terminated when the Oracle Lease and Finance Management asset line and linked and associated usage line is terminated, in the case of a partial termination of a Oracle Lease and Finance Management asset.

To enable termination of usage contract lines, the billing setups must be completed. For information on billing setups, see Set Up Usage Lines, page 10-101, Contract Authoring.

Descriptive Flex Fields

You can provide user defined calculation and derivation of values to the pre-populated descriptive flex fields where required. The **Termination Quote** tabs, **General**, **Parties**, and **Assets** provide 15 descriptive flex fields

Search for Termination Quote

Search for Termination Quote

This section shows how to locate termination quotes, determine which type of termination you are using and whether or not the contract permits early termination, verify that you can offer a termination quote according contract status, and view the amounts to accept the termination quote.

Use the following procedure to:

- Search for termination quotes and put the termination quote into context.
- Determine whether or not early termination is available for the termination quote.
- Specify the type of termination quote for your contract. View the amount details of the termination quote including:
 - Contract Obligation: Amount that the contract specifies.
 - Discount
 - Miscellaneous
 - Purchase Amount
 - Tax/VAT
 - Quote Total: The sum of preceding items that the lessee must pay to close the termination quote.

You can perform a list search in the **Termination Quotes** tab of the **Asset Management** page. List search is a search tool that helps retrieve information quickly and easily.

Note: You can disable list search using the **Disable List Search** button in **Table Diagnostics**. After disabling list search, you can find termination quotes by performing either a simple or advanced search.

A simple search on the **Termination Quotes** tab includes the following parameters:

- Operating Unit (mandatory field)
- Quote Number
- Customer
- Contract Number
- Quote Type
- Quote Status
- Repossession

An advanced search allows you to expand or refine their search criteria.

Prerequisites

- Your contract has one or more associated assets and permits termination quotes.
- With the exception of manually entered termination quote values, the terms and conditions include formulas and outline the required calculations.
- The contract status must permit termination quotation, according to what Supported Contract Statuses for Termination Quotes indicates.

Steps

Perform the following steps for list search using the **Termination Quotes** tab:

1. Click **Show Filters**.

Note: You can hide filters by clicking **Hide Filters**.

2. Select the objects using the following filters:
 - **Operating Unit:** Enter the operating unit. This is a mandatory field.
 - **Quote Number:** Enter the full or partial quote number.
 - **Customer:** Enter the full or partial customer name.
 - **Contract Number:** Enter the full or partial contract number.
 - **Quote Type:** Select one quote type from the list.

- **Quote Status:** Select one quote status from the list.
- **Repossession:** Select **Yes** or **No** based on the quote's repossession status.

You can also include the following additional filters to the search criteria by clicking **Add**:

- **Amount:** This field uses a range of amounts.
- **Early Termination**
- **Effective Date:** This field uses a range of dates.

Note: You can remove the additional filters from the search criteria by clicking the remove filter icon next to each added criteria.

3. Click **Go**.

The search results are displayed. In the search results, click the **Quote Number** to view the quote details.

You can save searches by performing the following steps:

1. After selecting filters, click **Save**.
2. Perform the following actions in the **Create Saved Search** region:
 1. Enter a name for the saved search in the **Name** field.
 2. Select the **Display in Tile** checkbox to display a tile having this search's details in the **Termination Quotes** tab.

Additional Information: Tiles display the count of search records for the defined search filters. This count can be refreshed by clicking the refresh icon present on each tile. Clicking on a tile will show the filters selected for this saved search.

3. Select the **Set as Default** checkbox to make a saved search as the default search.
4. Click **OK**.

Even if a saved search is not saved as a tile, it will be displayed in the drop down beside **Show Filters/Hide Filters**. You can manage saved searches by clicking **Manage Saved Search** in this drop down.

Termination Quote Templates

The main purpose of a termination template is to determine the following in quotes and requests:

- Line types present in the quote or request.
- The calculation logic for the line type.
- Whether users have the ability to update the system calculated amount in a line type.

Creating Termination Quote Templates

Termination Quote Templates are created on the **Setup** tab under the **Quotes** subtab. Perform the following steps to create Termination Quote Templates:

1. Navigate to **Setup: Quotes** and select **Termination Quote Templates**.
2. Click **Create**. In the **Create Termination Quote Templates** page, define the following fields:
 - **Operating Unit**: The operating unit where the setup will apply.
 - **Quote Reason**: One quote reason must be defined for the template.
 - **Quote Type**: One quote type must be defined for the template.
 - **Deal Type**: Select either **Lease** or **Loan** from the drop-down list.
 - **Template Type**: Select **Quote** or **Request**. This determines whether the template is used for termination quotes or termination requests.
 - **Request Type**: Select **Re-class** or **Write-off**. Write-off is available only if the template type is **Request**. Re-class is available if Write-off is selected as **Yes**. Values are **Yes** and **No**.
 - **Valid From**: The template is available for selection only after the quote creation date (system date) is equal or later than the **Valid From** date.
 - **Valid To**: The template is not available for selection for any quotes or requests created after the **Valid To** date. This is an optional field.
 - **Retire At Quote Proceeds**: If deselected, the retirement in asset books is accounted at zero which are usually the termination proceeds for default contracts. This is the default option. If the check box is selected, retirement in asset books is based on the quote purchase amount.

- **Full Termination Only:** If you select this check box, the template applies to full terminations only. This is an optional field.
 - **End of Term Only:** If you select this check box, the template applies to end of term termination only. This is an optional field.
3. Add the template lines. Once a template line is added, define the following for each template line:
- **Line Type:** Select a line type from the list of line types. A line type must be selected for it to be present in the quote or request associated with the termination template.
 - **Calculation Basis:** Select either **Contract** or **Template** from the drop-down. If you select **Contract**, the calculation is based on the rules defined on the contract's terms and conditions. If you select **Template**, you must define the calculation logic in the template and this overrides the calculations defined on the contract's terms and conditions.
 - **Early Termination Calculation:** If you select **Template** as the **Calculation Basis**, a formula must be associated with the template line. The formula selected is used to calculate the values in early terminations for the template line. This field only applies if **End of Term Only** check box is deselected.
 - **Early Termination Prorate Option:** Define a prorate option from the drop-down list to calculate asset level termination amounts. This field applies only if **End of Term Only** check box is deselected.
 - **End of Term Calculation:** If you select **Template** as the calculation basis, a formula must be associated to the template line. The formula selected is used to calculate the values in end of term terminations for the template line.
 - **End of Term Prorate Option:** Select the prorate option from a drop-down list to calculate asset level termination amounts.
 - **Override:** Select this to override the system calculated amount for quotes or requests for each template line.

Important: Contract Obligation line type is mandatory in all templates.

4. Click Apply.
5. After the template is created, you must activate the termination template for it to be available for use on termination quotes or requests. Search for the template on the **Termination Quote Templates** page. From the search results table, click **Activate**.

Enable Termination Quote Templates

The check box, **Enable Termination Quote Templates**, is available under **Setup: System Options: Operational Options**, in **Quoting Options** under the **Termination Options** section. If you select this, then termination quotes require a quote template to be created and activated for the combination of quote type and quote reason selected on the quote.

You can deselect the check box at any point. Termination quotes created after deselecting are not based on quote templates, but on default quote lines and the calculations defined on the contract terms and conditions.

Note: The **Enable Termination Templates** check box is deselected by default.

Using Termination Templates in Termination and Renewal Quotes

If the system option **Enable Termination Quote Templates** has been selected, the quote types displayed in the following table rely on quote templates for the following components of a quote:

- **Quote Lines:** the quote lines that are displayed, priced and submitted for approval and acceptance.
- **Quote Line Calculations:** The calculation logic for each of the quote lines where the calculation source has been defined as **Template**.
- **Quote Lines Overrides:** Whether you can update the amount automatically calculated on quote creation.

Quote Type	Template Required	Quote Lines	Quote Lines Calculations	Quote Lines Overrides
With Purchase	Yes	Yes	Yes	Yes
Without Purchase	Yes	Yes	Yes	Yes
Rollover with Purchase	Yes	Yes	Yes	Yes
Rollover without Purchase	Yes	Yes	Yes	Yes

Quote Type	Template Required	Quote Lines	Quote Lines Calculations	Quote Lines Overrides
Manual with Purchase	Yes	No	No	No
Manual without Purchase	Yes	No	No	No

The following quote types do not require that a template be defined:

- **Refinance Quote:** Although you cannot define a template for the quote type **Refinance**, you must define a template for the quote type **Rollover with Purchase**, which is used for the termination quote implicitly created for the termination components of a refinance quote.
- Fixed Term Renewal Quote
- Recourse with Purchase
- Recourse without Purchase
- Repossession Quotes
- Termination Quotes automatically created on re-lease.

When a quote is created, it is based on the state of the template at the time of creation. If the template is updated, the updated template is used only on quotes created after the updated template is activated.

Provide Quote

Providing a quote involves identifying and determining the quote details, reviewing and approving the quote, performing recalculations, and obtaining repurchasing approval.

Change Termination Quote Effective Dates

You can modify the effective dates of a termination quote by changing the termination quote Effective To date. Oracle Lease and Finance Management calculates the termination quote amount based on the current date. The contract terms and conditions include two parameters Quote Effective Days and Quote Effective Maximum Days.

When the termination quote is created:

- the Effective From date is set to the current date

- the Effective To date is set to the current date + Quote Effective Days

You can modify the Effective To date up to the Effective From date + Quote Effective Maximum Days.

Changing the Effective To date has no impact on the calculated values.

Prerequisites

You have created a termination quote.

Steps

Perform the following steps using the Termination Quotes page:

1. Specify search criteria to locate the termination quote:
 - **Quote Number:** Enter the full quote number, or specify partial match criteria.
 - **Quote Type:** Seeded values may include choices for termination with and without purchase, repurchase, and roll-overs.
 - **Quote Status:** You can only modify termination quotes if the quote's status is Drafted or Rejected.
 - **Contract Number:** Enter the full contract number, or specify partial match criteria.
 - **Customer Name:** Enter the full customer name, or specify partial match criteria
2. Click the Go button.
Matches appear in the Results area.
3. In the Results area, in the Quote Number column, click the hypertext link of the quote that you want to change.
The Termination Quote page opens and shows the editable fields.
4. In the Effective To field, click the Calendar icon and choose the date.
5. Click Update.

Effective Date Termination

The effective date is the user-specified date used for termination quote calculation. Oracle Lease and Finance Management supports the following two methods of effective date termination:

- Prior Dated Termination

- Future Dated Termination

Prior Dated Termination

The process of terminating a contract on a user-specified date which is before the quote creation date. For prior dated terminations, quote calculation and billing adjustments are processed from the prior effective date. Contract termination is processed on the current date with adjustments from the prior effective date.

For prior dated terminations, you must ensure that the contract start date is later than the following:

- termination date of the asset, in case of an early terminated asset.
- end date of the asset, in case of expired contracts.

Future Dated Termination

The process of terminating a contract on a user-specified date which is after the quote creation date. For future dated terminations, quote calculation, contract termination, and anticipated billing calculation are processed on the future effective date.

Prior and future effective date terminations can be used with both Full and Partial terminations, Standard and Automated terminations, and termination types of With Purchase or Without Purchase.

Effective date terminations can be viewed in the Lease Center, Customer Self Service, and Vendor Self Service.

Note: : Future dated rollover quotes can be created and Accepted, but cannot be Approved.

Create Future Dated Termination Quotes

It is common for lessors to create future dated terminations quotes and record acceptance before the termination effective date indicated on the quote. Termination processing does not take place until the termination effective date is reached.

If future dated quotes have been created for a contract and the contracts goes evergreen, the quotes must be preserved as customer acceptance may still take place after the contract reaches end of term.

When you create a termination quote, you are allowed to define a Quote Effective From Date greater than the system date, that is, a future date. Standard quote pricing, validations and approval processes apply.

You can create future dated quotes in the following scenarios:

- From the base term to a future date within the base term

- From evergreen to a future date in evergreen

The **Anticipated Billing** field in the quote displays the sum of payments due after the current date up to the future effective from date of the quote and the sales tax. This is required for both evergreen and base term quotes.

Net Investment is calculated as follows:

- Direct Finance uses Net Investment Balance.
- Operating Lease uses Net Book Value.

If the future date is in evergreen, it uses the Net Book Value.

Accept Future Dated Termination Quotes

You can accept future dated quotes when the number of days between the current date and the quote effective from date is no larger than the number of days specified in the system option **Accept Future Dated Quotes Limit**.

Note: The default value for this system option is zero days.

Upon acceptance, the termination invoice is generated with a due date that equals the system date. The actual termination transaction is processed only when the termination date is reached and passing the standard checks.

Note: For future dated quotes, billing and accruals will be run at the time of quote processing until quote effective date (if they have not already been run).

Rollover Termination Quotes

A rollover is a process in which the lessee terminates all or part of an existing transaction, sometimes at a discount, and finances the amount of the termination on a new deal. When the termination amount is added to a new contract, the termination quote is not billed to the lessee, but the amount is instead rolled over to a new contract or existing contract and priced into the new transaction.

In Oracle Lease and Finance Management, rollover termination quotes can be created with or without purchase for securitized and non-securitized transactions. Rollover termination quote amounts are rolled over as a financed amount on a fee line with the fee type of Rollover on a contract or lease sales quote.

Oracle Lease and Finance Management validations determine whether a rollover termination quote can be rolled over on a contract or sales quote. For example, the customer account of the rollover termination quote and the new contract must be the same.

Rollover fee lines cannot be created for external, or third party, termination quotes.

A rollover termination quote can only be accepted by booking a contract with the quote referenced on a rollover fee line.

To create a Rollover Termination Quote, see [Create Termination Quote](#).

Rollover fees can be added to a lease contract during authoring. For information on adding rollover fees to a contract, see [Fee Lines](#).

Rollover to New Customer

The system option, **Allow Rollover to New Customer**, is available at the organizational level as a check box under **Setup: System Options: Operational Options: Termination Options: Rollover Options**. When enabled, the field **Rollover Customer** becomes available in the header of quotes with the following quote types:

- Rollover With Purchase
- Rollover Without Purchase

You can update **Rollover Customer** field to the following:

- Any other customer: The rollover quote, after approval, is available for selection in contracts associated to selected customer and where the contract start date is one day after the quote Effective From date.
- None: The rollover quote, after approval, is available for selection in contracts where the contract start date is one day after the quote Effective From date.

View or Update Termination Quote Amount Details

You can view and optionally change the amounts of the line types that are the components of a termination quote. After you have created a standard or a manual termination quote, the termination quote amount is visible in the [Termination Quotes](#) or [Manual Termination Quotes](#) page.

Use this process to see a breakdown of the components of the termination quote, or to change the amounts on the component line types of a termination quote.

Oracle Lease and Finance Management offers the following viewing options:

- View the consolidated amount for all the assets for each line type.
- View the line details for a specific line type.
- View all individual lines for a quote.

Prerequisites

You must have created a standard or a manual termination quote. For details, see [Create Termination Quote](#), page 20-14.

Steps

Perform the following steps:

1. Search for the termination quote whose amount details you want to see.
2. In the Results area, click the Quote Number hyperlink to see the amount details.
3. In the **Amounts** tab of the Termination Quote details page, you can optionally change the amount for one or more of the line types. Click the **Line Type** link by the rendered amounts. The Quote Line details page opens.
4. Click the **Update** button and enter the amount for the line type.
5. If you are viewing the details of a manual termination quote, you can add and remove line types in the Amounts page.

Note: If you are viewing the details of a manual termination quote, you can add and remove line types in the Amounts page. For details, see Add or Remove Manual Termination Quote Lines.

6. Click Apply.
7. Click Submit for Approval when finished.

When you update amounts for a quote line, you can update the amount at the line type level as well as for the underlying asset sub-lines. Any quote line level update is prorated to the underlying asset sub-lines by applying to the asset sub-line the same percentage entailed in the quote line level update.

Override Quote Line Amounts

When you create a termination quote, the system generates quote amounts for each line based on the contract terms and conditions. You can update the system generated amounts while keeping track of the amounts originally calculated if the line type is marked as eligible for overrides in the associated termination template. In the case of Billed Not Paid lines, the system option, **Adjust Billed Not Paid**, must also be defined to enable updates. The values in the **Override Amount** column are the amounts used for termination and accounting transactions. By default, these are the system generated amounts.

Recycling Termination Quotes

When you receive an accepted termination quote with a transaction status of Error, the error must be fixed. After fixing the error, set the contract termination status to Recycle.

To set the contract termination status to Recycle, complete the following steps:

1. Navigate to **Asset Management > Contracts**
2. Select the Contract Number.
3. Select Terminate from the Action pull-down menu.
4. In Terminate Transaction, click Go.
5. For the selected Contract Number, click Recycle to recycle the termination transaction.
6. Run the concurrent program Terminate Expired Contracts.

View Revised Contract Payment Schedules

When a lease contract's payment schedules are changed by a partial termination quote, Oracle Lease and Finance Management calculates and displays the revised payment schedules. You can then process the termination quote before submitting it.

Prerequisites

You have created a partial termination quote that changes payment schedules.

Steps

Perform the following steps:

1. Click the Payment Schedule tab in the Termination Quote details page.
2. Click the Current Total or Proposed Total hyperlinks to view total amounts for selected stream types listed by asset in the Payment Schedule Details page.
3. Click the Total hyperlinks to view the stream type and asset amount details in the Payment Schedule Line Details page.

Add or Remove Manual Termination Quote Lines

You can build up your manual termination quote by adding or removing quote line types and amounts.

If you have completed the first stage of creating a manual termination quote, you have created the basic outline of the quote. The quote amount calculated will be the value of the outstanding receivables only. Generally you want to add your own quote lines and amounts to the basic termination quote.

The Estimated Billing Adjustment quote line amount cannot be modified or removed.

Prerequisites

You must have created the basic outline of a manual termination quote. .

Steps

Perform the following steps using the Termination Quotes page:

1. Search for the manual termination quote to which you want to add quote lines.
2. In the Results area, click the Quote Number hyperlink to which you want to add your quote lines.

In the Amounts tab of the Termination Quote details page, you can add or remove quote lines.
3. To add quote line types and amounts, continue at step 5.
4. To remove quote lines, select the Remove check box for each line type that you wish to remove, then continue at step 11.
5. In the Amounts page, click Create Quote Line.

The Create Quote Line page appears.
6. Select the Line Type for the quote line.
7. Optionally select an asset for the quote line.
8. Enter the amount for the quote line.
9. Click Create.
10. If you want to add more quote lines, repeat steps 5 through 9 for each quote line.
11. Click Update.

Select Asset Serial Numbers on a Partial Termination Quote

You can specify the serial numbers of assets to terminate on a partial termination quote.

On a partial termination quote, if you are going to terminate one or more assets that are defined as serializable items in Oracle Inventory, then you must select the serial numbers of the units that you wish to terminate.

Prerequisites

- You have created a partial termination quote.

- Each asset on the partial termination quote has been defined as a serializable asset in Oracle Inventory.
- You specified serial numbers for the asset or assets when you created the contract.

Steps

Perform the following steps:

1. Search for the termination quote.
2. In the Results area, in the Quote Number column, click the quote number hyperlink.
The Termination Quote Details page opens.
3. Click the Assets tab.
4. In the Assets page, click the icon in the Details column for the asset.
The Asset Units page appears, with header information that includes quote details, asset number, asset quantity, and quote quantity.
5. If the asset quantity is equal to the quote quantity, click Select All, else click the Select box beside the assets that you want to terminate.
You must select the exact number of assets specified by the quote quantity.
6. Click Update.

Stream Generation for a Partial Termination Quote

During a partial termination, streams are not generated for the terminated asset as streams are copied and truncated to create a new set of streams.

The active assets generate streams for the following:

- Subsidy Accrual
- Termination Value

At the contract level, streams are generated for the following:

- Amortized Fee Income
- Amortized Fee Expense

The following procedure describes how to view streams generated for the active assets.

Steps

Perform the following steps in the **Contracts** tab of the **Customers** page:

1. Search for the contract having the split asset.
2. Click the contract number.

Note: You can go to the **Configuration** tab in the **Contract** page to view the terminated and active assets.

3. In the **Contract** page, go to the **Summary** tab.
4. In the **Activation Summary** region of the **Summary** tab, click the details icon corresponding to **Activate Contract**.
5. Search for the history streams in the Streams region of the Activate Contract page. To search, you can select the following options:
 - **Status:** Select **History**.
 - **Stream Level:** Select **Link Service Asset**.
6. The history streams for the impacted split asset are displayed.

Note: The terminated asset in partial terminations does not have any history sets associated with it.

View or Update Termination Quote

You can view or update information about standard termination quotes. You can update two types of fields in a standard termination quote:

- **Common Standard Termination Quote Fields:** Fields that all standard termination quotes have in common and are not based on termination quote formulas. For more information, see Common Standard Termination Quote Fields, page 20-33.
- **Quote Line Fields:** Fields from the contract's terms and conditions that are based on quote lines. Under certain circumstances, some quote line fields are calculated and based on the termination quote formula. Other quote line fields are not based on the termination quote formula because the formula may have an error or is missing. For more information, see Quote Line Fields, page 20-34.

Common Standard Termination Quote Fields

Common standard termination quote fields are those fields that all standard termination quotes have in common, regardless of being based on the termination quote formula. Common standard termination quote fields that you can update include:

- **Effective To date:** change the ending effective date of the termination quote. Changing this date does not change any calculations.
- **Pre-Proceeds:** Indicate that you are accepting a termination quote before the quote dues are received.
- **Accepted:** Indicate that you have accepted the termination quote.
- **Comments:** Enter any free-form text to make notes about the termination quote.
- **Parties:** Select one or more parties to whom you want to send a quote.
- **Per Diem Amount:** The Per Diem Amount is payable by the customer if the payment is not made on the quote effective date.

Quote Line Fields

You can update certain quote line fields in a standard termination quote depending on whether or not the termination quote formula that you used in the terms and conditions of your contract are correct and complete.

Standard termination quotes rely on the termination quote formula for calculation. You can use the default termination quote formula, or create your own termination quote formula during the implementation of Oracle Lease and Finance Management.

Correct Standard Termination Quote Line Fields

If the termination quote formula is correctly set up in the implementation of Oracle Lease and Finance Management, then Oracle Lease and Finance Management produces a standard termination quote with calculated values; you can update these fields:

- **Purchase Option Amount**
- **Discount Rate**
- **Termination Penalty**
- **Return Fee**
- **Rollover Incentive**
- **Quote Fee**

- **Estimated Property Tax**
- **Miscellaneous**

Incomplete or Incorrect Standard Termination Quote Line Fields

If any of the required operands are missing from the termination quote formula or if you have not selected any termination quote formula in the contract terms and conditions, then Oracle Lease and Finance Management produces a standard termination quote that comprises only of certain fields, all of which have zero values and require manual updating. This documentation refers to this type of quote as a **default standard termination quote**. The available fields are:

- **Purchase Option Amount**
- **Contract Obligation**
- **Discount Rate**
- **Tax / VAT**
- **Miscellaneous**

The following steps provide general procedures for searching, viewing, and updating termination quotes.

Prerequisites

You have created a standard termination quote.

Steps

Perform the following steps:

1. Search for the termination quote.
2. In the Quote Number column, click the quote number hyperlink.
The Termination Quote Details page opens.
3. Optionally, edit the Effective To, Pre-Proceeds, Accepted, or Comments fields. For more information, see Common Standard Termination Quote Fields, page 20-33 in the introduction to this topic.
4. Optionally, edit the available quote line fields.

Available quote line fields vary according to how you implemented the termination quote formula and applied it to the contract. For more information on which quote line fields you can modify, refer to the related topics, including:

- Quote Line Fields, page 20-34
- Correct Standard Termination Quote Line Fields, page 20-34
- Incomplete or Incorrect Standard Termination Quote Line Fields, page 20-35

5. Click Update.

Send a Termination Quote to a Party

For parties specified on the termination quote, you can send the quote to a party from the Termination Quote Details page. To send a termination quote, you must search for it and place it into context.

Prerequisites

You have created a termination quote.

Steps

Perform the following steps:

1. Search for the termination quote.
2. In the Quote Number column, click the quote's number--a hypertext link.
The Termination Quote Details page opens.
3. In the Parties area under the Select column, select the party to whom you want to send a quote.
4. Click the Send Quote button.
5. To send the quote to another party--if available--repeat this subset of steps.
6. Click the Update button.

Update Standard Termination Quote Amounts

Business rules determine the calculated termination quote amounts, but you can update some of the standard termination quote amounts.

The following table shows the supported termination quote line types that you can manually update after the creation of the standard termination quote.

Supported Quote Line Types That You Can Update

Line Type	Updatable After Creation of Quote	Available for Default Standard Termination Quotes	Remarks
Purchase Option Amount	Yes	Yes	None
Discount Rate	Yes	Yes	None
Termination Penalty	Yes	No	None
Return Fee	Yes	No	None
Rollover Incentive	Yes	No	None
Quote Fee	Yes	No	None
Estimated Property Tax	Yes	No	None
Miscellaneous	Yes	Yes	Standard creation based on the way termination formula is defined.

View Assets

The Assets page shows you a view-only list of the asset number, description, and cost of all assets in the termination quote. The purpose of this feature is to let you review the details of assets that you are terminating or are purchasing through a termination quote.

Note: The Assets page includes a Details icon for each asset, that leads to the Asset Units page. The Asset Units page is used to select serial numbers of assets to terminate.

Prerequisites

You have created a termination quote.

You have retrieved the termination quote and placed it in context.

Steps

No steps are applicable

View Anticipated Billing

Use the Anticipated Billing tab on the Termination Quote details page to view the anticipated billing. Anticipated billing represents the sum of amounts due to be billed between the quote creation date and the quote effective date and the sales tax. You must enable the **Estimated Billing Tax Extension** system option in **Transaction Tax Options** to customize tax calculation logic.

View Messages

During the life cycle of the termination quote, Oracle Lease and Finance Management posts error, omission, and information messages. You can review these messages and take action to see that subsequent processing does not fail.

Three types of messages pertaining to terminations quotes are:

- Error
- Warning
- Information

The Messages page shows:

- Quote Number
- Contract Number
- A list of messages and their dates

Prerequisites

You have created a termination quote on a contract.

You have retrieved the termination quote and placed it in context.

Steps

Use the Messages tab on the Termination Quote details page to view messages. If there has been an error, then rectify the error at the source and regenerate the termination quote, if applicable.

Approve Termination Quotes

After you enter a standard termination quote, it is submitted for approval automatically

and the approval process is controlled by general termination quote workflow. If the termination quote is rejected you need to revise it and create a manual termination quote.

After you create a manual termination quote, its first status is Drafted. To generate the approval process, you need to submit the manual termination quote for approval.

Prerequisites

You have created a termination quote.

Steps

Perform the following steps using the Termination Quotes page:

1. Search for the termination quote.
2. In the Results area, in the Quote Number column, click the quote number hyperlink of the quote that you want to approve.
3. Click Submit for Approval.

Guidelines

You cannot change the content of the termination quote--such as the Effective To date or the assigned assets--after the status changes to Approved. Business rules determine whom to notify for approval.

Accept Termination Quotes

The following topics describe the two means of accepting termination quotes:

- Accept the Termination Quote Automatically
- Accept the Termination Quote Manually

Accept the Termination Quote Automatically

Except for rollover terminations, automatic acceptance of a termination quote happens through the cash application routine of Oracle Lease and Finance Management. The automatic acceptance of termination quote occurs only if:

- The termination quote uses the Upon Receipt means of acceptance. The Upon Receipt means of acceptance means that the contract terminates upon receipt of payment before the lessor accepts termination notification.
- The amount received matches the termination quote amount. If the amount received upon receipt does not amount the termination quote amount, then you must manually apply the cash received.

- On the booking and rebooking of a contract for rollover and release contracts.

In the cash application routine, when the amount received matches the termination quote:

- The termination quote is automatically accepted.
- The invoice's termination quote lines are generated for transfer to Oracle Receivables.

Accept the Termination Quote Manually

Use this procedure to manually approve a termination quote when:

- The termination quote specifies Pre-Proceeds option. The Pre-Proceeds option terminates the contract upon acceptance notification.
- The termination quote specifies to terminate the contract Upon Receipt, but the amount received does not match the termination quote amount.

Quote acceptance terminates the contract and changes its status to Accepted.

You can accept a termination quote two ways:

- **Pre-Proceeds:** The contract terminates upon acceptance notification.
- **Upon Receipt:** The contract terminates upon receipt of payment before the lessor accepts termination notification.

Manual acceptance of termination quote requires you to manually apply in Oracle Receivables the cash receipt to the invoice that the termination quote created and to any other outstanding invoices.

Prerequisites

Ensure that the termination quote's status is Approved.

You must run accruals for a contract till the termination quote acceptance date.

Note: While accepting the termination quote, Oracle Lease and Finance Management checks accruals for the contract based on the setup for the Check Accruals Till Previous Month system option. If you have selected this option, then the application checks accruals till Termination Quote Effective From Date's previous month's last day. Otherwise, the application checks accruals till Termination Quote Effective From Date.

Steps

Perform the following steps:

1. Search for the termination quote.
2. In the Results area in the Quote Number column, click the quote number hyperlink of the quote that you want to change.
The Termination Quote details page opens.
3. Click Update. The Update Termination quote page appears.
4. Select the Accepted check box.
5. Select the Pre-Proceeds check box to terminate the contract upon acceptance.
6. Click Save.

Terminate Assets Using a Program

Assets are terminated by entering a list of assets to terminate into an interface table, and then running a concurrent program. An explicit quote is not required.

The main purpose of the program is to create termination quotes for the assets specified. Generally, the quotes will be for asset-level terminations, also known as partial terminations. If all the assets for a contract are specified to be terminated, then the quote will be for a contract termination.

You can specify whether you wish the quotes to be standard or manual termination quotes. For the standard termination quotes, you can also set a flag to automatically accept the quote, which helps to automate the termination of the asset or contract.

The table that you must populate is OKL_TERMNT_INTERFACE.

Enter the following columns in the table:

- TRANSACTION_NUMBER

Enter a unique transaction number. You can either generate your own unique values, or use the seeded sequence OKL_TIF_SEQ.

- CONTRACT_NUMBER
- ASSET_ID or ASSET_NUMBER
- SERIAL_NUMBER

Enter this column if the asset is serialized, and set UNITS_TO_TERMINATE to null or 1.

- QUOTE_TYPE_CODE

Set this value to the Code in the FND Lookup Type OKL_QUOTE_TYPE.

For example, specify TER_PURCHASE for a termination with purchase, and TER_MAN_WO_PURCHASE for a manual termination without purchase.

Note: If you specify a code that indicates a standard, that is, non-manual, termination quote, but the contract requires a manual termination quote, the program will generate a manual termination quote that has the appropriate "with purchase" or "without purchase" option.

- STATUS

Set this value to ENTERED.

Another important column that automates the asset termination process is AUTO_ACCEPT_YN. If you set the value of this column to Y for standard, that is, non-manual asset termination quotes, then, if the quote is successfully created by the program, it is automatically submitted for approval. When the approval is granted, the quote is processed to completion; that is, the asset or contract is terminated.

After you have entered all the asset information into the OKL_TERMNT_INTERFACE table, run the concurrent program Process Termination Interface Transactions. See Concurrent Programs., page B-1

After the program has finished, view the output report to see a summary of the following:

- The rows processed
- The rows in error
- The rows processed, but with errors

An example of a row that is processed but generates an error is if the value of AUTO_ACCEPT_YN is set to Y. The quote may be created successfully, but the automatic acceptance may fail.

Obtain Third-Party Approval for Repurchasing Leased Asset

When you have a repurchase agreement, the third party--the source or supplier of the leased asset--has agreed to receive the asset according to agreed-upon terms in the repurchase agreement. The agreed-upon terms can be either an amount or a formula. The remarketer requests a quote for the vendor, and the third party approves the quote.

The repurchasing agreement specifies the price that the third party pays the lessor for repurchasing the asset. The price is either a fixed amount or a formula-based amount.

Note: All amounts specified in a repurchase quote are in the ledger

currency.

Prerequisites

- A repurchase agreement exists.
- You have received the asset.

Responsibility

Lease Super User, Asset Manager and Remarketer

Navigation

Assets > Tracking > Vendor Quote > Repurchase Asset

Note: You need to have an asset in context in order to access this area.

Steps

No steps are applicable.

Tip: You can optionally edit the Effective To, Comments, Ship To address and phone information.

Restructure Quotes

This chapter covers the following topics:

- Overview
- Search and Update Restructure Quotes
- Create Restructure Quotes

Overview

The restructure quotation process allows the lessee to change terms in the contract.

This Asset Management functionality allows you to:

- Solve for rent for both leases and loans, such as renegotiating for a new rent payment that is more manageable for the lessee.
- Solve for term for loans only, such as extending the contract term for a period of time.

The acceptance of a restructure quote results in a re-booked contract. The calculations that the restructure quote provides become the basis of the re-booking.

Note: All amounts specified in a restructure quote are in the contract currency.

Supported Contract Statuses for Restructure Quotes

Certain processes--such as termination quote, restructure quote, request termination, and contract expiration batches--are based the contract status. The following table shows supported combinations of the restructure quote process and contract statuses.

Supported Contract Statuses for Restructure Quotes

Contract Status	Process: Restructure Quote
Booked	Yes
Evergreen	No
Under Revision	No
Abandoned	No
Complete	No
Incomplete	No
New	No
Passed	No
Litigation Hold	Yes
Termination Hold	No
Approved	No
Pending Approval	No
Amended	No
Reversed	No
Terminated	No

The topics in this section include:

- Search and Update Restructure Quotes
- Create Restructure Quotes

Search and Update Restructure Quotes

Use these procedures to search, view, and update restructure quotes.

Prerequisites

Contract status must permit quotation.

Steps

Perform the following steps using the Restructure Quotes page:

1. Enter one or more search criteria to locate the restructure quote:
 - **Quote Number:** Enter full or partial match criteria to find by the quote number.
 - **Quote Status:** Choose from Accepted, Approved, Bid, Completed, or Draft.
 - **Contract Number:** Enter full or partial search criteria, click the flashlight icon, and choose a contract.
2. Click the Go button.

In the Results area, matching restructure quotes appear. Field information includes: Quote Number, Status Type, Effective From date, and Effective To date.
3. In the Quote Number column, click the hypertext link of the restructure quote that you want to view or update.

The Restructure Quote Details page appears. The three fields that you can modify are:

 - **Effective To:** The date to which the restructure quote applies. If you change this date, the lease price modeling software recalculates the values.
 - **Accepted:** Select the check box to mark the restructure quote as accepted.
 - **Comments:** Enter or edit any free-form text description.
4. Click the Update button to apply your updates.

Create Restructure Quotes

To create a restructure quote, you must have a contract number in context. A lease price modeling application, calculates and updates values for restructure quotes.

The asset management restructure function allows you to:

- Solve for rents for leases and loans.

Prerequisites

- A contract must be in context.
- One or more assets must be in contract.
- Contract status must permit quotation.

Steps

Perform the following steps in the Restructure Quotes page:

1. Click the Create button.

The Create Restructure Quotes page appears.

2. Select the contract for which you are creating the restructure quote.
3. In the Quote Reason field, choose a reason for the quote termination.
4. In the Comments fields, optionally enter any free-form text, such as description, comments, or notes.
5. In the Options area, complete these fields:
 - **Select:** If you want to select a quote.
 - **End of Purchase Option:** Purchase option to use in quote.
 - **Purchase Amount:** Enter an amount. Amount information goes to a lease price modeling software application that returns a calculated value on the Details page.

Note: The purchase amount is in the contract currency.

- **Purchase Option Formula:** Click the field's flashlight icon, and choose from a list of values to specify the formula that applies to the restructure quote.
 - **Term Extension:** Specify the length of time from the original contract end date that you want to extend the term. For example, if your contract originally ends on December 31, 2002; your quote date is June 30, 2002; and the quote specifies 12 months, then the extension adds six months to the original ending contract date.
6. Click Apply.

Consolidated Quotes

This chapter covers the following topics:

- Overview
- Search and Update a Consolidated Quote
- Create a Consolidated Quote

Overview

You can combine multiple quotes into one consolidated quote for your customers' convenience. Some customers may prefer consolidated quotes to ease management of their high volume of quotes and partial quotes.

Each quote in a consolidated quote remains an independent standalone quote, although after you combine multiple quotes into a consolidated quote, you cannot remove them from the consolidated quote.

You can consolidate quotes from multiple contracts as long as each quote meets certain conditions. These conditions include each quote having the same effective date, product type, recipient, and quote type. Partial quotes can be included in consolidated quotes, but not partial termination quotes.

The asset management representative can modify the quote, as needed. Oracle Defect Management notifies quotes to the requestor and program partner as required.

Topics in this section include:

- Search and Update a Consolidated Quote
- Create a Consolidated Quote

Search and Update a Consolidated Quote

You can search for and update a consolidated quote. To locate a consolidated quote, you can search by operating unit, quote number, quote type, or quote status.

Prerequisites

- Contract status must permit quotation.
- Quote recipient of each quote must be the same.
- Effective dates of each quote must be the same.
- Product of each quote item must be the same.
- Quote type and quote status of each quote item must be the same.
- One or more of the quotes cannot already have been accepted or consolidated.

Steps

Perform the following steps using the Consolidated Quotes page:

1. In the Search area, specify one or more search criteria:
 - In the Quote Number field, enter full or partial search criteria.
 - Choose a Quote Type, or leave the field blank to find all quote types.
 - In the Quote Status field, choose
 - Accepted**
 - Approved**
 - Completed**
 - Drafted**
2. Click the Go button to perform the search.

Matching quotes appear in the Results area and show you the quote number, status, type, effective dates, and recipient for consolidated quote.
3. In the Quote Number column, click the consolidated quote's number.

The Consolidated Quote Details page appears and shows you:

 - Non-Editable fields: Quote Number, Effective From, Type, Status; and individual quote information that comprise the consolidated quote: Quote Number, Quote Reason, Status, Recipient, and Amount.
 - Editable fields: Effective To date, Accepted check box, and Comments. The Accepted check box indicates that the consolidated quote has been accepted.

4. Click the Update button to apply any changes you make.

Create a Consolidated Quote

You can create a new consolidated quote by selecting multiple quotes that share the same attributes: operating unit, quote status, quote recipient, effective dates, product type, and quote type. To create a quote, you search for quotes with matching attributes.

Prerequisites

- Contract status must permit quotation.
- Quote recipient of each quote must be the same.
- Effective dates of each quote must be the same.
- Product of each quote item must be the same.
- Quote type and quote status of each quote item must be the same.
- One or more of the quotes cannot already have been accepted or consolidated.

Steps

Perform the following steps:

1. Click Create on the Consolidated Quotes page.

The Create Consolidated Quote page appears.

2. Select the operating unit.

Note: The list of values includes operating units assigned to the MO: Security profile.

Additional Information: The application displays the selected operating unit as the default in the subsequent pages irrespective of the value that you set for the MO: Default Operating Unit profile option.

The selected operating unit restricts the valid list of values in applicable fields.

3. Choose a Quote Type, or leave the field blank to find all quote types.

Note: All quotes in a consolidated quote must have the same quote type.

4. In the Effective Date fields, click the Calendar icon to choose starting and/or ending dates, or leave the Effective Date fields blank to locate quotes with any

Note: All quotes in a consolidated quote must have the same effective date.

5. Select the recipient and product for the quote.
6. Click Continue to select the quotes that you want to consolidate.
7. Select the quotes.

The status, type, effective dates, and recipient must be the same for each quote in one consolidation.

8. Click Finish to consolidate the quotes.

Renewal Quotes

This chapter covers the following topics:

- Overview
- Search for and Update Renewal Quotes
- Create Renewal Contract
- Quote and Process a Refinance Renewal
- Create and Activate Refinance Contract

Overview

You can create renewal quotes in order to generate a quote to a lessee that specifies any payments associated with the renewal of the original base term of the contract into a fixed renewal period.

Renewal Quotes enable you to perform the following tasks:

- Specify which assets from the original contract will be quoted for the fixed period renewal. When selecting the assets to include, you can filter the list of assets on multiple criteria, including Serial Number.
- Update each asset value to write up or down the cost of the asset for the renewal period from its current net investment value. Any change in amount results in a gain/loss upon renewal.
- Specify a new residual value for each asset.
- Change the financial product (lease classification) associated to the fixed renewal term.
- View the quote results without navigation and drilldowns.
- Add new fees or services to the quote or copy selected fees and services from the

base term contract. New period fees contribute to the renewal quote Internal Rate of Return yield calculation during pricing.

The following conditions apply to Renewal Quotes:

- Only the original customer during the base term can receive the quote, and the customer cannot be changed during the renewal process.
- No new assets can be added to a renewal quote, only the assets from the existing end of term contract to be renewed.
- The start date of the renewal period is the day after the original contract end of term. There can be no gaps between the Effective From and To dates.
- The asset categories and depreciation values of the assets cannot be altered during renewal quoting and processing.
- You cannot include assets in a renewal quote that are already accepted and not canceled on any other type of quote.
- Renewal quotes cannot be created for contracts that are in Evergreen status. You will have to terminate the assets and re-lease them onto a new contract manually.
- Renewal quotes cannot be created for contracts with assets in an investor pool that is securitized for the residual value. The contract must be bought out of the pool in order to renew. Contracts in a pool for receivables securitization can be renewed.

The following list outlines the Renewal Quote process:

- Search for and Update Renewal Quotes
- Create Renewal Quote
- Update Renewal Quote
- Approve Renewal Quotes
- Accept Renewal Quotes
- Duplicate Renewal Quotes
- Cancel Renewal Quotes
- View Renewal Quotes
- Consolidate Renewal Quotes
- Implement an Accepted Renewal Quote

Search for and Update Renewal Quotes

When you search for individual renewal quotes for a contract from the dropdown menu on each contract row on the Search Results table, you are directed to the Contract Modifications page. From the Renewal Quotes sub-tab, you can search for renewal quotes associated to a contract by using the following criteria:

- Quote Number
- Quote Status

By clicking Go without entering any search criteria, all of the renewal quotes for a contract will be displayed.

The following table shows describes renewal quote fields.

Renewal Quote Search Details

Field	Description
Quote Number	The individual renewal quote number. Read-only.
Description	Description entered for the renewal quote.
Pricing Method	Selected by user for each individual renewal quote.
Status	Individual renewal quote status
Valid From	Date renewal quote is valid from
Valid To	Date renewal quote is valid to
Term	The term proposed on the quote for the renewal contract.
Submit	The Submit button enables you to submit the renewal quote for approval.
Accept	The Accept button enables you to mark an individual renewal quote as accepted.
Cancel	The Cancel button enables you to cancel the individual quote.

Create Renewal Quote

To create a renewal quote, select Create Renewal Quote button from the search summary and enter the renewal quote details. You can create two types of renewal quotes:

- Fixed Term Renewals
- Refinance

After the renewal quote details are entered, you can select the assets to include in the renewal quote. Save and Apply your updates.

Additional Information: You can only create new Renewal Quotes for Financial Products with the following Book Classifications: Operating Lease or Direct Financial Lease. And only contracts with the following status are available: Booked or Expired (only for asset lines where the asset return request is Scheduled).

The following table describes renewal quote details:

Renewal Quote Details

Field	Description
Operating Unit	The Operating Unit is a mandatory field.
Contract Number	A read-only field displaying the contract number.
Contract Template	Displays all contract templates for a product.
Quote Type	The type of renewal to be quoted for the selected contract.
Termination Type	The type of termination to be quoted in the renewal quote.
Expected Start Date	Must be entered, and is always one day after the End of Term Date of the existing contract.
Valid From	The earliest date when the renewal quote may be accepted.
Valid To	The latest date when the renewal quote may be accepted.

Field	Description
Renewal Term	The number of months in the renewal term to be quoted must be entered.
Product	This product is defaulted from the existing contract, but you can override it. This is the financial product for the renewal contract.
Quote Reason	You must select the Quote Reason from the list.
End Of Term Option	You must select a valid End of Term Option so a residual amount can be derived for the renewal assets in the quote.
Pricing Method	You must select one of the two pricing methods, either Target Rate or Solve for rate. See <i>Price Renewal Quotes</i> .

The following table describes asset selection details.

Asset Selection Details

Column or Button	Description
Asset Number	Number of the asset
Asset Description	Description of the asset entered
Asset Location	Location of the asset
Net Investment Balance (NIV)	As of the existing contract end of term date. This amount should be the same amount as the Residual Value
Renewal Cost	Defaulted from the NIV, but can be updated.
End of Term Value	Defaulted from the End Of Term Option, but can be updated.
Add All Assets	Adds all asset lines eligible for renewal on a contract.
Add Asset	Adds the selected asset line from the contract.

Update Renewal Quote

After a renewal quote is created, you can update the quote by accessing the Update page via any of the options described below:

- Click Save and Continue from the Create Renewal Quote page
- Open the renewal quote from the Search Summary page
- Open the renewal quote from the Quote View page

You can update Pricing and Fees, and Services fields. However, the following renewal quote fields cannot be updated regardless of the quote status:

- Pricing Method
- Term
- Product
- End of Term Options

No updates can be made to a renewal quote with the status of Approved or Accepted.

Once a renewal quote has been successfully priced and validated, its status becomes Complete

Update Pricing Details

Once a quote is created, you can view the summary of the quote values that are required to complete pricing. You can validate and price the quote, and ensure that all values necessary to price the quote are provided with no conflicts.

To enter or update pricing details from the Update page, enter the pricing parameters for the Pricing Method selected during the creation of the Renewal Quote.

Renewal Quote Pricing Options

The two pricing options for Renewal Quotes are Target Rate and Solve for Rate.

Target Rate

By selecting Target Rate, you can calculate a single, periodic payment amount for all assets on the quote. You can provide all values other than the payment amount, such as asset cost, residual value, frequency, term length and target rate. Only one payment level can be priced. The target rate may be the IIR or IRR.

Solve for Rate

By selecting Solve for Rate, you can calculate yields for a single payment structure for all the assets on the quote. You can enter a structured payment with levels (all with the same frequency), but must provide all values other than the target yield, including

payment amounts, number of periods, frequency, term length, asset cost and residual value.

Once the quote is priced, you can return to the summary view to see the payment and yield calculations. From the Review page, you can perform the following tasks:

- Open and edit the quote so you can re-price.

Caution: If you re-open after pricing, the previous pricing values will be discarded once the quote is updated, and you must confirm to continue. Approved and Accepted quotes cannot be updated or re-priced.

- Submit the quote for Approval
- Save and return to the renewal quote summary list for a contract.

The following rules and conditions apply to Renewal Quote pricing:

- Statuses must be maintained so that you can search for and visually detect quotes that have been created and not yet priced from those that have been priced.
- If the quote payment is not to be allocated to the assets on a pro-rated basis upon the activation of the renewal contract, you can update the payment per asset on the final contract.
- You cannot call out to an external pricing engine.

Add Fees, Services and Adjustments

Since no fees or services are automatically copied from the existing contract onto the renewal quote or the renewal contract, you must manually add fees and service lines if required.

The following fee types can be added to a renewal quote: Absorbed, Expense, Income, Security Deposit, and Miscellaneous.

Approve Renewal Quote

Renewal Quotes with a status of Complete can be submitted for approval. The approval process for renewal quotes is configured through Approvals Manager. After approval is granted to the quote, the status is updated to Approved.

Only Renewal Quotes with a contract status of Booked or Expired (only for asset lines where the asset return request is Scheduled) can be approved.

If an asset line becomes Terminated, or its associated return request is not Scheduled, the renewal quote must be invalidated.

Accept Renewal Quote

Approved renewal quotes can be accepted by the Lessee as defined on the contract. To accept a renewal quote, click Accept Quote. Upon acceptance, the renewal quote status becomes Accepted, and the existing contract/asset line is locked for modification purposes.

Only Renewal Quotes with a contract status of Booked or Expired (only for asset lines where the asset return request is Scheduled) can be accepted.

If an asset line becomes Terminated, or its associated return request is not Scheduled, the renewal quote must be invalidated.

Import Renewal Quote

You can import renewal quotes through a standard set of interface tables. The renewal quote interface enables you to optionally specify a contract template. The import program will validate that the contract template specified is valid for the Product on the Renewal Quote.

Duplicate Renewal Quote

You can duplicate renewal quotes in any status. When duplicating a quote that has already been accepted, Oracle Lease and Finance Management ensures that you remove the asset lines in the renewal quote before it can be saved.

Cancel Renewal Quote

You can cancel renewal quotes in any status, including renewal quotes that have been Accepted, up to the activation of the renewal quote. The cancellation of an accepted renewal quote results in the following:

- Removal of the asset lines on the renewal contract
- The link between the renewal quote and the renewal contract is removed
- The renewal contract status becomes Incomplete.

View Renewal Quote

You can view a summary, read-only page of the renewal quote details.

Consolidate Renewal Quotes

You can consolidate renewal quotes with other renewal quotes or end of term termination quotes in a single, consolidated quote. For more information on consolidated quotes, see *Consolidated Quotes*.

Implement an Accepted Renewal Quote

Renewal quotes can be implemented by creating a new contract for the fixed renewal period for all of the assets included on the accepted renewal quote.

To implement a renewal quote, the following conditions must be met:

- The contract must reach its original end of term
- The Renewal Quote must be accepted, either manually or as part of a consolidated quote.
- The quote can be accepted on any date before the last day of the base term, but the new contract for the fixed renewal period must not automatically be created until the end of term.
- Any quoted assets that have been canceled from the quote should not be included in the new contract.

At end of term, you can automatically create a new contract for an accepted renewal quote. The values from the accepted renewal quote and the original contract are used to create the new contract, including contract header details, assets and asset values and quote details, payments and term.

You can also manually create the new renewal contract prior to automatic processing.

Quote and Book Fixed Term Renewals for Evergreen Contracts

When a contract comes to the end of the base term, lessees can continue leasing the assets. This can happen in the form of evergreen, where there is no contractual term, or as a fixed term renewal.

Fixed term renewal decisions are often notified when the contract has already reached the evergreen period. If the lessor agrees with the lessee to start the renewal contract at the end of the base term, evergreen transactions including billing and depreciation, must be reversed. The following example illustrates this case:

Evergreen transaction that needs to be reversed

End of Term	31 October, 2017
Current Date	30 November, 2017
Renewal Start Date	01 November, 2017

In this example, billings and depreciation for the month of November must be reversed.

In some cases, the lessor and the lessee agree to start the renewal contract on the current date. This does not require reversing evergreen transactions effective before the renewal date. The following example illustrates this case:

Evergreen transaction that need not be reversed

End of Term	31 October, 2017
Current Date	30 November, 2017
Renewal Start Date	30 November, 2017

When you create a fixed term renewal quote for a contract in evergreen status, you can enter any Expected Start Date between the End of Term Date plus one day and the current system date.

The **Renewal Type** field is added to the quote header. The default value of this field is **Without Purchase**.

A termination quote of type **Termination – Without Purchase** is created automatically to terminate the contract or assets quoted in the fixed term renewal quote.

The termination quote includes the following parameters:

- The termination quote type is the same value selected for fixed term renewal type. The default value is **Without Purchase**.
- The effective date of the termination quote is always the Expected Start Date minus one day.
- The termination quote reason is the quote reason field selected in the fixed term renewal quote header.

All other quote header attributes currently supported for fixed term renewal quotes are also available on fixed term renewal quotes for evergreen contracts. These include the following attributes:

- Valid From
- Valid To
- Renewal Term
- Product
- Contract Template
- End of Term Option

- End of Term Option
- Pricing Method
- Quote Reason
- Comments

When you select assets to be included in the fixed term renewal quote, the system automatically assigns a default value to each of the assets based on the effective date of the quote and the book classification of the source contract. You can override these values.

Book Classification	End of Term	After the End of Term
Operating Lease	Residual Value	Net Book Value as of the quote effective date
Direct Finance Lease	Residual Value	Net Book Value as of the quote effective date

After the assets are selected, you can enter the required payment details for the selected pricing method. The quote can then be saved, validated and submitted for approval.

When a fixed term renewal quote is accepted, the following events take place:

1. The underlying termination quote is accepted.
2. A termination invoice is generated for any termination quote billable amounts.
3. A renewal contract is created for the assets being renewed either when you:
 - Automatically run the program **Activate Renewal Contracts** or,
 - Click the button **Create Renewal Contract** from the Renewal Quote search results table.

After the contract is created, you can add other assets or contract lines supported for fixed term renewal contracts. Upon activation of the renewal contract, the renewal and underlying termination are completed.

When the underlying termination is completed, the following adjustments must take place based on the termination effective date:

1. If the termination effective date is the last day of the base term, all evergreen related transactions must be reversed:
 - Billing: On-account credit memos are issued for evergreen invoices.

- Cash: You are expected to manually unapply cash if it has been applied to an evergreen invoice.
 - Depreciation: Depreciation accrued after End of Term must be reversed if the renewal contract's book classification is Direct Finance Lease.
2. If the termination effective date is after the end of the base term, standard evergreen termination adjustments apply, that is, all billed amounts due after the termination effective date are credited.

The following fields are displayed in the Termination Quote Details region of the Renewal Quote Details page:

- Termination Number: The underlying termination quote number.
- Effective Date: The effective from date of the underlying termination quote.
- Renewal Type: The termination type of the underlying termination quote.
- Termination Amount: Total quote amount.

Termination quotes created for processing fixed term renewals are not available to be searched and viewed independently from the standard Termination Quote pages. They cannot be approved, accepted or consolidated independently.

Process Fixed Term Renewals for Evergreen Contracts

The fixed term renewal quotes for evergreen contracts are processed based on the following points:

- Running the program **Terminate Expired Contracts** terminates the quoted assets/contract.
- On processing the termination for renewals, the asset return request is created in **Pending Renewal** status and once the renewal contract is activated, the status is updated to **Cancelled**.
- Users may create and activate renewal contracts from the Renewal Quote search results table on the Renewal Quotes page or by running the concurrent program **Activate Renewal Contracts**.
- Once a fixed term renewal quote has been accepted, quote cancellation is not supported for the fixed term renewal quote as well as for the underlying termination quote.
- Cancelling a fixed term renewal quote prior to acceptance will also cancel the underlying termination quote.

Create Renewal Contract

Renewal Contracts can be created by the following methods:

- A concurrent program picks contracts to be expired, and if the program finds an accepted renewal quote, it automatically creates a renewal contract.
- A renewal contract can be created manually from the accepted renewal quote or consolidated quote before the end of term of the base contract.
- If the interface data is pre-accepted, an accepted renewal quote and renewal contract is created.

While creating the renewal contract, if a contract template has been selected on the renewal quote, then contract level terms and conditions will be copied over from the contract template. If no contract template has been selected, then contract level terms and conditions will be copied over from the base term contract.

Only Terms and Conditions will be copied over to the new contract from Contract Template. No other Contract detail will default from the selected Contract Template.

The following fields cannot be updated in the renewal contract:

- Effective From Date (Contract Start Date)
- Vendor Program
- Customer
- Customer Account

Activate Renewal Contract Concurrent Program

After all renewal asset lines have been terminated on a base contract, you can run the Activate Renewal Contract concurrent program to perform the following actions:

- Process off-lease transactions for the renewed assets
- Activate the contract
- Cancel the dummy asset return requests created for renewed assets.

Cancel Renewal Contract

You can cancel non-activated renewal contracts by using the standard cancellation functionality. Upon cancellation, the following takes place:

- The link between the renewal contract and the quote is removed

- The Create Renewal Contract button for the associated quote becomes active again
- A message is displayed warning you that renewal is still accepted and will result in the creation and activation of a renewal contract unless cancelled.

Quote and Process a Refinance Renewal

As a method of terminating an existing contract, lessors may agree to refinance the termination amount. In other words, instead of paying the termination quote amount, the lessee contracts a loan with the lessor to pay the termination over time. To determine the payment and amounts, the lessor can use a refinance renewal quote where principal amount to be financed is the termination amount.

Use the new renewal type option when creating a renewal type quote to determine whether to:

1. calculate a new contract payment for the existing renewal type quote (now called "fixed term renewal"), or
2. to calculate a payment for the new refinance type quote.

When quoting a refinance, a termination quote (using the type "rollover with purchase") is created to calculate the termination amounts from the existing lease which are used as the principal amount to be financed on the new contract. During quote creation, select the pricing method and calculate a payment and the yields for a new loan contract. The pricing methods Rate Card (Structured), Solve for Payments, and Solve for Rate are available for calculating the new contract payment amount.

Once approved and accepted, a new contract is created when the contract reaches end of term. The termination amounts from the existing contract are rolled over to the new contract as asset lines (excluding outstanding receivables and taxes) and upon activation of the new contract the assets are retired from Oracle Assets with proceeds of sale as the quote purchase amount. The asset record numbers do not change between the old and new contracts.

Billing and credit memos are generated to pay off the termination quote and transfer the amounts to the new contract. The accounting event Re-Lease is used to transfer the assets to a new contract and the Booking accounting event is only called if there are new assets added on renewal contract. In cases where the new contract needs to be updated or edited, the contract may be created in advance, but cannot be activated until the contract reaches end of term.

Create and Activate Refinance Contract

The refinance contract can be created at any of the following points:

- After the **Refinance** quote is accepted, you can manually create the refinance

contract from the refinance quote. The contract can be updated before approval and activation.

- If not created from the quote, the contract is automatically created when terminations are implemented.

The contract is activated only at the same time the associated terminations are implemented.

- New Assets: If any new asset is added to the contract, Booking Accounting applies to that asset.
- Existing Assets: Re-Lease Accounting applies to all assets terminated in the source contract and getting refinanced.

Refinancing Taxes Due on Termination

If the termination amount is to be refinanced, the taxes due on termination rolls over into the financed amount of the new contract. When taxes are rolled over and refinanced, the lessor pays taxes to the tax authority on behalf of the lessee. This results in an additional loan amount that is added to the financed amount of the new contract.

Important: In order to settle termination invoices created at the time of quote acceptance, on account credit memos must be created.

To enable rollover and refinancing of termination taxes into a new contract at the organizational unit level, select the system option **Rollover Termination Taxes**. This is available as a check box under **Setup: System Options: Operational Options: Termination Options: Rollover Options**. If enabled, termination taxes are always included in the rollover amount of rollover and refinance quotes and, thus, included in the financed amount of the new contract once the termination process is completed.

Note: This option is disabled by default.

Refinancing Open Receivables on Termination

A termination quote includes a set of Billed Not Paid quote lines representing open receivables at the time the quote is created. In cases of rollover and refinance quotes, a lessor can include Billed Not Paid amounts in the rollover amount that is financed in a new contract. If Billed Not Paid amounts are rolled over into a new contract, invoice based credit memos are created to settle the invoices associated to the open receivables.

To enable rollover and refinancing of Billed Not Paid amounts into a new contract at the organizational unit level, select the system option **Rollover Billed Not Paid**. This is available as a check box under **Setup: System Options: Operational Options: Termination Options: Rollover Options**. If enabled, billed not paid amounts are

always included in the rollover amount of rollover and refinance quotes and, thus, included in the financed amount of the new contract once the termination process is completed.

Note: This option is disabled by default.

Additional Information: You can define the quote reason selected in termination and renewal quotes as an accounting source in Oracle Sub-Ledger Accounting.

Contract Terminations

This chapter covers the following topics:

- Overview
- Search for Terminated Contracts
- Request Termination
- Managing Outstanding Receivables on Terminations
- Batch Process Contract Termination
- Processing the Fixed Purchase Option
- Terminating Linked Contracts

Overview

When a lease or loan contract reaches the end of its term, a concurrent process automatically terminates the contract unless the contract was originally flagged as evergreen. In the case with evergreen contracts, the contract does not terminate and the billing continues beyond the contract's specified term. You can search for a terminated contract and view all of the undertaken steps.

Contract Termination with Outstanding Amounts

When your customers make their payment to terminate a contract, you might have some differences between what your customers pay you and what your records indicate is due.

The OKL Small Balance Write-Off Tolerance rule determines whether or not to write-off or retain in Receivables any amounts due. The system administrator specified these profile option values during implementation.

The rule in the OKL Small Balance Write-Off Tolerance terminates the contract and:

- Writes-off the balance if the balance on the contract is less than the amount in the

rule.

- Leaves the balance due in Receivables for collection if the balance in the contract is greater than the amount in the rule.

Methods of Contract Terminations

Methods of contract terminations include:

- Natural end of contract termination through a batch process. See Batch Process Contract Termination.
- Accepting a termination or restructure quote.
- *Ad hoc* contract termination or request termination. This section covers ad hoc or request terminations.

The topics in this section include:

- Search for Terminated Contracts
- Request Termination
- Batch Process Contract Termination
- Impact of Terminating Linked Contracts

Create Termination Requests

Termination requests are internal documents created to request the termination of a default contract. A request does not require acceptance, only approval. Upon approval, the contract is terminated and termination accounting transactions are posted.

When you select a quote type and quote reason associated with the template of type Request, a termination request is created. Based on the Request Type value defined in the associated termination template, the contract's outstanding receivables are treated as described below:

- If **Write Off** is enabled, all termination quoted amounts including both termination billing and billed not paid amounts are written off. You must run the concurrent program, **Process Termination Write-Offs**.
- If **Reclass** is enabled, invoices are created for all the written off amounts using the Billing Re-class Stream Type associated to the stream type being written off.

Note: The processing of termination request is always the same, irrespective of the value of the system option **Stop Termination on**

Acceptance.

Termination Completion

The system option, **Termination Completion**, is available under **Setup: System Options: Operational Options**, in **Quoting Options** under the **Termination Options** section. This system option is available only if the check box **Stop Termination on Acceptance** is selected. You can select one of the following values:

- **Standard:** Termination completion occurs as described below:
 - **Terminations With Purchase:** Termination completes when the purchase price invoice line is fully paid in Oracle Receivables.
 - **Terminations without Purchase:** Termination completes when the asset return request status becomes **Returned**.
- **Custom:** Termination occurs based on custom code where users select the transaction or event that should trigger termination completion for terminations with and without purchase. If **Customis** selected and no custom code is attached, termination takes place as soon as the termination quotes are accepted.

Search for Terminated Contracts

Use this procedure to locate contract terminations where the termination applies to the entire contract. This procedure locates *ad hoc* contract terminations. You can search for a terminated contract to view the status, check the progression of steps in the termination process, and check and resolve any error and omission messages.

Prerequisites

None

Steps

Perform the following steps:

1. On the Termination Transactions page, enter one or more search criteria for the terminated contract:
 - **Contract Number**
 - **Contract End Date:** Click the Calendar icon and choose starting or ending dates.

- **Contract Status:** Choices may include: Approved, Termination Hold, Reversed, Amended, Pending Approval, Litigation Hold, Passed, New, Incomplete, Under Revision, Booked, Entered, Terminated, Hold, Active, Canceled, and Evergreen.
- **Transaction Date:** Click the Calendar icon and choose starting or ending dates.
- **Transaction Status:** Choices include: Approved, Canceled, Closed, Entered, Error, Pending Customer Approval, Pending Internal Approvals, Processed, Rejected, Submitted, and Waiting.

2. Click the Go button.

In the Results area are the matching contracts.

3. Select the contract and click the termination transaction details of contract on the Termination Transaction page.

The Termination Transaction page shows you the contract number, contract status, start date, end date, transaction status, transaction date, termination reason, comments (that you can edit), steps of the termination process, and messages. You should review and resolve any error or omission messages.

The steps of termination process indicates the statuses of:

- **Validate Contract**
- **Set To Evergreen**
- **Cancel Insurance**
- **Close Streams**
- **Close Balances**
- **Post Accounting Entries**
- **Amortize Asset**
- **Disposal of Asset**

Request Termination

Use this procedure to select a contract for termination.

Supported Contract Statuses for Request Termination Process

Certain processes--such as termination quote, restructure quote, request termination,

and contract expiration batches--are based the contract status.

The following table shows supported combinations of the request termination process and contract statuses.

Supported Contract Statuses for Request Termination Process

Contract Status	Process: Request Termination
Booked	Yes (Contract should have expired or be after quote acceptance.)
Evergreen	Yes
Under Revision	No
Abandoned	No
Complete	No
Incomplete	No
New	No
Passed	No
Litigation Hold	No
Termination Hold	No
Approved	No
Pending Approval	No
Amended	No
Reversed	No
Terminated	No

Prerequisites

None

Steps

Perform the following steps using the Request Termination page:

1. In the Search area, specify any of the following search criteria to locate the contract that you want to terminate:
 - **Contract Number**
 - **Contract Start Date:** Click the Calendar icon and choose beginning or ending dates that the contract had started.
 - **Contract End Date:** Click the Calendar icon and choose beginning or ending dates that the contract was to have ended.
2. Click the Go button.

In the Results area, matching contracts appear.
3. In the Select column, select one or more contracts that you want to terminate.
4. Click the Terminate button.

You can verify the progress and status of the terminated contract by searching for it.
See Search for Terminated Contracts.

Managing Outstanding Receivables on Terminations

The system option, **Adjust Billed Not Paid**, determines whether **Billed Not Paid** line amounts are overridden on a termination quote or request, and, if that is the case, which types of billable streams are eligible for update. It is available as a check box under **System Options: Operational Options**, in **Quoting Options** under the **Termination Options** section. You can update **Billed Not Paid** quote lines based on the following values:

- **None:** No system calculated Billed Not Paid amount is eligible for update.
- **Accruals Basis:** Billed Not Paid line amounts associated to accrual basis stream types are eligible for overrides.
- **Cash Basis:** Billed Not Paid line amounts associated to cash basis stream types are eligible for overrides.
- **All:** All Billed Not Paid line amounts can be updated.

When override amounts are entered, adjustments are created in Oracle Receivables for the difference between the system calculated amount and the override amount when

the termination process is completed.

Note: For Billed Not Paid amounts to be updated on a termination quote or request, the termination template line for Billed Not Paid must be selected for Overrides in the associated termination template as well.

Defining Payment Method specific for Termination Invoices

You can define the following termination payment method details in the contract's billing Terms and Conditions:

- Termination Payment Method
- Termination Bank Account

These payment methods apply to the following:

- Termination invoices created upon quote acceptance.
- Any other invoices created after the termination is processed.

Termination Billing Adjustments

You can customize the logic for generating billing adjustments on termination with the system option **Termination Billing Adjustments**. Select from the following options:

- **Standard:** This is the default value. Termination billing adjustments are generated based on the standard logic.
- **Custom:** If this value is selected, standard billing adjustments are disabled and you must define a customized logic to create termination billing adjustments through an API enabler.
- **Invoiced Based:** For termination processes, this system option can be used to apply credit memos directly to the invoice line.

Batch Process Contract Termination

The person with Lease Administrator login responsibility runs a batch process that searches for contracts that are ready for termination to formally terminate them. The batch process looks for termination dates up to the current date. Whereas some lessors might run this batch process daily, other lessors with smaller portfolios might run this batch weekly or less frequently.

Supported Contract Statuses for Batch Process Contract Termination

Certain processes--such as termination quote, restructure quote, request termination, and contract expiration batches--are based the contract status.

The following table shows supported combinations of the batch process contract termination and contract statuses.

Supported Contract Statuses for Batch Process Contract Termination

Contract Status	Process: Contract Expiration (Batch)
Booked	Yes
Evergreen	No
Under Revision	No
Abandoned	No
Complete	No
Incomplete	No
New	No
Passed	No
Litigation Hold	No
Termination Hold	No
Approved	No
Pending Approval	No
Amended	No
Reversed	No
Terminated	No

To run the batch for processing contract termination, the Lease Administrator accesses

the Submit Request area.

Processing the Fixed Purchase Option

The fixed purchase option is applicable to those lease scenarios where the contract runs its full life and the lessee opts to purchase the equipment for \$1 or for a mutually agreed upon price when the contract terminates. Consequently, when you select the Automatically Process the Fixed Purchase Option check box in the End of Term Purchase Option region of the Terms and Conditions page, the following occurs when you run the Terminate Expired Contracts concurrent program:

1. The expired contract is automatically terminated.
2. An invoice transaction is automatically generated in Oracle Lease and Finance Management for the fixed price purchase option.
3. The equipment (asset) is sold to the lessee.

Fixed Assets is updated with the proceeds from the sale of the equipment, that is, the purchase option amount.

4. The asset is retired from Fixed Assets.

Terminating Linked Contracts

When you terminate an Oracle Lease and Finance Management lease or loan contract that is linked to a service contract in Oracle Service Contracts, the service contract is *not* automatically terminated. The linked service contract continues to be billed through Oracle Lease and Finance Management using the billing process defined in Consolidated Billing.

Terminate the service contract manually in Oracle Service Contracts.

When you terminate a service contract (in Oracle Service Contracts) that is linked to an Oracle Lease and Finance Management lease or loan contract, manually terminate the Oracle Lease and Finance Management lease or loan contract, if required.

Part 8

Asset Return to Disposal

Asset Returns

This chapter covers the following topics:

- Overview
- Asset Returns

Overview

The Asset Return to Disposal process covers record keeping of returned assets, handling amortization and writedowns, evaluating the condition of an asset, determining what you want to do with the asset, and deploying your end-of-term strategies.

Asset Returns

In the Asset Returns area, you can maintain the information for your off-lease assets, such as:

- Maintaining the asset status to help you track where your asset is in the asset return process. When you specify some asset statuses, you may trigger some processes to take place that update the asset for other stages in the asset return process.
- Maintaining the asset return type, which identifies the source of a return request.
- Specifying the asset location to track where your asset is.
- Specifying the shipping instructions to agree upon transportation arrangements.
- Specifying the asset return fees to record costs associated with the returning of assets and the disposal process.
- Specifying that the asset is subject to like-kind exchange.

Note: All quotes, costs, fees and prices associated with off-lease asset processing are in the ledger currency.

Oracle Lease and Finance Management automatically creates an asset return request by way of these three sources:

- Acceptance of a termination quote without purchase.
- Repossession of the asset. This sets the Asset Status to Scheduled and the Asset Return Type to Repossession Request. For asset repossessions, this process must happen before other repossession-related activities, such as the Repossession Request or Unsuccessful Repossession.
- Ending of contract term without exercising the purchase option. This sets the Asset Status to Scheduled and the Asset Return Type to Contract Expiration upon termination of a contract.

Under the following situation, you must manually create an asset return request:

- The lessor initiates a request to return the leased asset. This sets the Asset Status to Returned and the Asset Return Type to Intent to Return.

The main topics in this section are:

- Maintain Asset Return Request
- Specify Asset Location
- Specify Shipping Instructions
- Specify Asset Return Fees

Maintain Asset Return Request

As a returned off-lease asset undergoes various stages of examination and evaluation, you should maintain the asset return information. Oracle Lease and Finance Management automatically generates an asset return request under certain conditions, but in other conditions, you have to manually create an asset return request.

The topics in this section include:

- Create a Manual Asset Return Request
- Search for a Returned Asset Request
- Update Asset Return Status

Create a Manual Asset Return Request

When your customer makes a request to return an asset before the contract's specified end-of-term, you must manually create an asset return request. You do not manually create an asset return request for assets that have reached their end-of-term because Oracle Lease and Finance Management automatically generates those asset return requests upon contract expiration.

When you create an asset return request, you specify:

- A return type for the asset. Return types include: Contract Expiration, Repossession Request, Executed Termination Quote, and Intent to Return.
- The status of the returned asset. Statuses include: Returned, Scrapped, Repossessed, and Available for Sale.
- Relevant dates, such as Date Return Due, Date Returned, and Date Notified.
- The Remarketer involved with remarketing the returned asset. Assignment of a returned asset goes to a remarketer, who:
 - Is part of the group assigned to managing remarketing for the asset based on the asset's item category.
 - Is responsible for the asset until disposal.
- Optional notes or comments.
- Like-Kind Exchange information to link to the Period Open to Period Close process; select this option before you make an asset available for sale and if you are transferring the tax properties to new, leased asset.

Prerequisites

None

Steps

Perform the following steps using the Asset Return Request page:

1. Click Create.
The Create Asset Return Request page opens.
2. Select the operating unit.

Note: The list of values includes operating units assigned to the

MO: Security profile.

Additional Information: The application displays the selected operating unit as the default in the subsequent pages irrespective of the value that you set for the MO: Default Operating Unit profile option.

The selected operating unit restricts the valid list of values in applicable fields.

3. Select the asset number for which you want to create the return request.
The associated contract number, currency, description, and contract end date appear with the chosen asset number on the Create Asset Return Request page.
4. Select a status for the asset return of either Returned or Scheduled.
5. In the following date fields, click the Calendar icon and choose the dates for:
 - **Date Return Due:** The date by which you expect to receive the asset. (Required)
 - **Date Notified:** The date by which you notified the lessee to return the asset.
 - **Date Returned:** The date you received the asset.
 - **Date Title Returned:** The date that you formally received title for the asset.
6. Select the remarketer for the applicable asset.
Only the remarketers who are associated with the asset's item category appear in the list of values.
7. Click Save and Continue to add applicable details. Otherwise, click Apply to create an asset return request and add details later.

To locate a returned asset request and put it into context for updating, See: Search for a Returned Asset Request.

To maintain or update information about a returned asset during the return and remarketing process, See: Update Asset Return Status.

Search for an Asset Return Request

Use this procedure to locate the asset return request of the off-lease returned asset. You can search for both automatically generated asset return requests and manually created asset return requests. You need to search for and select a returned asset to:

- Put the returned asset into context so that you can update the asset's status, dates, location, and condition, for example.
- View information about the asset, such as contract number, contract status, asset status, start date, end date, asset type, original cost, serial number, in service date, manufacturer's name, model number, and depreciation information. Depreciation information may include life in months, new or used, salvage value, depreciation category, and depreciation start date.

Prerequisites

Either you have manually created or the system has automatically created the Asset Return request. See: Create a Manual Asset Return Request.

Steps

You can find asset return requests by performing a list search in the **Return Requests** tab of the **Asset Management** page. List search is a search tool that helps retrieve information quickly and easily.

Perform the following steps:

1. Click **Show Filters**.

Note: You can hide filters by clicking **Hide Filters**.

2. Select the objects using the following filters:

- Operating Unit (mandatory field)
- Asset Number
- Asset Description
- Contract Number
- Quote Status

You can also include the following additional filters to the search criteria by clicking **Add**:

- Customer Name
- Date Return Due: This field uses a range of dates.
- Quantity: This field uses a range of figures.
- Quote Number: This field uses a range of figures.

- Remarketer
- Return Status
- Serial Number

Note: You can remove the additional filters from the search criteria by clicking the remove filter icon next to each added criteria.

3. Click **Go**.

The search results are displayed.

You can save searches by performing the following steps:

1. After selecting filters, click **Save**.
2. Perform the following actions in the **Create Saved Search** region:
 1. Enter a name for the saved search in the **Name** field.
 2. Select the **Display in Tile** checkbox to display a tile having this search's details in the **Return Requests** tab.

Additional Information: Tiles display the count of search records for the defined search filters. This count can be refreshed by clicking the refresh icon present on each tile. Clicking on a tile will show the filters selected for this saved search.

3. Select the **Set as Default** checkbox to make a saved search as the default search.
4. Click **OK**.

Even if a saved search is not saved as a tile, it will be displayed in the drop down beside **Show Filters/Hide Filters**. You can manage saved searches by clicking **Manage Saved Search** in this drop down.

Note: You can disable list search using the **Disable List Search** button in **Table Diagnostics**. After disabling list search, you can find asset return requests by performing either a simple or advanced search.

A simple search on the **Return Requests** tab includes the following parameters:

- Operating Unit (mandatory field)

- Asset Number: Enter partial or full search criteria.
- Asset Description: Enter partial or full search criteria.
- Contract Number: Enter partial or full search criteria.
- Return Status: Select one of the asset return statuses, such as Available for Sale, Returned, or Scrapped.
- Remarketer: Enter search criteria, click Go, and choose a specific remarketer.
- Customer Name: Enter partial or full search criteria.
- Serial Number

An advanced search allows you to expand or refine their search criteria.

Under the Results area, matching asset returns appear. The Results area shows you the asset number, asset description, date return due, return status, remarketer, return, and condition information.

Under the Asset Number column, click the asset's number to view more information about the asset.

Update Asset Return Status

Use this procedure to locate and update a returned asset's status. Information that you can update include specifying that the asset is available for sale, returned, repurchased, or scrapped.

If you change an Asset Status to Cancelled, it is not possible to update the Asset Status to any other option.

Important: If you want to change an asset's price or description for the item in inventory, then do that before you set the Status field to *Available for Sale*. When you indicate that an asset is *Available for Sale* in the Status field, the Inventory program assigns an inventory item number to the asset, and you can no longer change either the price or the description in Oracle Lease and Finance Management. You must complete any changes in the relevant module, such as Oracle Inventory for the description and Oracle Pricing for the change in price.

Prerequisites

Either you have manually created or the system has automatically created the Asset

Return request. See: Create a Manual Asset Return Request.

Steps

Perform the following steps:

1. Query for the applicable asset number.
2. Click the Asset Number hypertext link. The Asset Return Request details page opens.
3. Click Update.
4. Enter the repossession details.

Important: Do not complete the fields in the Repossession area if those fields are blank. If the Repossession area fields are blank, then ignore them. The Repossession fields contain data only if the Collections module has processed the returned asset. The rules for Collections automatically determine the Date Required and Date Hold Until fields. You can change the Repossession area fields only if Collections had already populated these fields.

5. Enter a new location to indicate change of location for the asset.
6. Click Apply to save your changes.

Specify Inventory Details

Perform the following steps to record inventory details:

1. In the applicable Asset Return Request details page, click the Assets subtab.
2. Click Update. The Update Asset Information page opens.
3. Select the applicable inventory status.
4. Enter the inventory item number and a description.
5. Specify or change the price of the returned asset.
6. Select the Like Kind Exchange check box if you are subjecting this returned to a like-kind exchange tax option.
7. Click Apply.

Specify Shipping Instructions

You can provide the lessee instructions for:

- Returning the off-lease asset.
- When a third party is purchasing an off-lease asset. The shipping instructions inform the lessee to return the asset to the third party.

To send shipping instructions to the lessee through an email or other document, you must set up the Oracle XML Publisher and XML Delivery Manager modules. See: Set up XML Publisher in the *Oracle Lease and Finance Management Implementation Guide*.

Prerequisites

You have created the asset return and placed the asset into context. See: Search for a Returned Asset Request.

Steps

Perform the following steps:

1. In the Asset Return and Asset Number fields, verify that the correct asset is in context by clicking the hypertext links.

If you need to locate the asset to put it into context, See: Search for a Returned Asset Request.

2. Click the Shipping Instructions subtab in the applicable Asset Return Request details page.
3. Click Update in the applicable Asset Return Request details page. The Update Asset Return page opens.

A contract formula automatically calculates the Asset Value For Insurance field. The Date Instructions Sent field is the date you sent the shipping instructions. The system automatically updates this value.

4. Select the Transportation Option Accepted to accept the lessor's transportation option for return of asset.
5. In the Instructions field, enter any specific details for asset return instructions.
6. In the Contact Details area, complete:
 - **Party Name:** Enter partial or full search criteria; click Go; click the party name.
 - **Contact Name:** Enter partial or full search criteria; click Go; click the contact name.

- **Contact Method:** Enter partial or full search criteria; click Go; click the contact method.
7. In the Shipping Address area, complete:
 - **Ship To Party:** Enter partial or full search criteria; click Go; click the ship to party's name.
 8. Click Apply.

Specify Asset Return Fees

Use this procedure to record costs associated with the returning of assets and the disposal process. You can use this information for subsequent analysis.

Prerequisites

You have created the asset return and placed the asset into context. See: Search for a Returned Asset Request.

Steps

Perform the following steps:

1. In the Asset Return and Asset Number fields, verify that the correct asset is in context by clicking the hypertext links.

If you need to locate the asset to put it into context, See: Search for a Returned Asset Request.
2. Click the Notes subtab in the applicable Asset Return Request details page.
3. Click Create to create the following fee types in the Create Fees page:
 - **Auction Fee**
 - **Marketing Fee**
 - **Miscellaneous Fee**
 - **Repossession Fee**
 - **Scrapping Fee**
 - **Shipping Fee**
4. In the Comments field, enter any text that you need about the fee.

5. In the Amount field, enter the fee amount.

Note: The fee amount is in the ledger currency.

6. To remove any fees, select the check box on the row of the fee that you want to remove.
7. Click Apply.

Asset Conditioning

This chapter covers the following topics:

- Overview
- Asset Conditioning

Overview

The Asset Return to Disposal process covers record keeping of returned assets, handling amortization and writedowns, evaluating the condition of an asset, determining what you want to do with the asset, and deploying your end-of-term strategies.

Asset Conditioning

During the asset return process, inspectors examine the asset and produce a condition report. If the asset is in need of repairs, then the inspector determines what the needed repairs are and estimates their costs.

The following topics cover how to record the condition of a returned, off-lease asset. When you record the condition of a returned asset, you record the overall condition of the asset, and then you can record detailed condition lines. Detailed condition lines include specifying the actual costs of conditioning the asset. When you are ready to bill either the vendor or the lessee for the repairs, you can issue an invoice.

The main topics in this section include:

- Maintain an Asset's Condition
- Generate Repair Invoice

Maintain an Asset's Condition

The topics in Asset Condition are:

- Create Asset Condition
- Create Condition Line
- Update Condition Line

Note: To record the condition of a returned asset, you must put it into context. See Search for a Return Asset Request.

Create Asset Condition

When you receive a returned asset, you can evaluate and record the asset's overall condition. After you create the overall asset condition, you can add detailed line items to describe the condition. To record the condition of a returned asset, you must put it into context. See Search for a Returned Asset Request.

Prerequisites

You have created the asset return and placed the asset into context.

You have evaluated the returned asset's condition.

Steps

Perform the following steps:

1. In the Asset Return and Asset Number fields, verify that the correct asset is in context by clicking the hypertext links.
2. If you need to select another returned asset, see Search for a Returned Asset Request.
3. Click the Inspection subtab in the applicable Asset Return Request details page.
4. Click Create to create an inspection report for the asset. The Create Inspection page opens.
5. In the Asset Condition field, choose a condition, such as Good, Fair, Poor, or Not Applicable.
6. Select the applicable inspector.
7. In the Reported On field, click the Calendar icon and choose a date.
8. Click Apply.

Guidelines

You can add specific condition lines and detailed information for each line. See [Create Condition Line](#) and [Update Condition Line](#).

Create Condition Line

After you create a record of the asset's overall condition, you can add detailed line items to describe specific areas. Detailed line information can include recommended repairs, repair descriptions and codes, and estimated and actual costs of repairs.

Prerequisites

- You have created the asset return and placed the asset into context.
- You have evaluated the returned asset's condition.
- You have created a record of the asset's overall condition. See [Create Asset Condition](#).

Steps

Perform the following steps:

1. In the Asset Return and Asset Number fields, verify that the correct asset is in context by clicking the hypertext links.
2. On the Asset Condition Details page, click the Create Line button.
The Create Asset Condition Line page appears.
3. Complete the following fields:
 - **Part:** Enter free-form text.
 - **Status:** Choose Pending, Repaired, Waiting for Approval.
 - **Condition Type:** Choose Fair, Good, Not Applicable, Poor.
 - **Reported On:** Click the Calendar icon, and click a date.
 - **Approved On:** Click the Calendar icon, and click a date, if applicable.
 - **Approved:** Select the check box upon approval for the repair to take place.
4. In the Damage Details area, provide specific damage information:
 - **Damage Type:** Choose types such as Broken, Dented, Missing Parts, Non

Repairable, Not Applicable, or Scratched.

- **Damage Description:** Enter free-form text to provide more information.
5. In the Repair Details area, complete the following fields:
- **Repair Code:** Enter full or partial search criteria, click Go, and click a repair code.
 - **Repair Description:** Displayed text based on repair code.
 - **Estimated Repair Cost:** Based on the selected repair code. See the *Oracle Lease and Finance Management Implementation Guide*.
 - **Actual Repair Cost:** The amount billed if you use the generate bill option.
 - **Recommended Repair:** A description of recommended repair.

Note: All costs are in the ledger currency.

6. Click the Create button.

Update Condition Line

After you create a record of the asset's overall condition and have added detailed line items to describe specific areas, you can update existing line items, such as to change the status, approval, damage details, or repair information.

Prerequisites

- Create the asset return request. See [Create a Manual Asset Return Request](#).
- Place the asset into context. See [Search for a Returned Asset Request](#).
- Evaluate the returned asset's condition.
- Create a record of the asset's overall condition. See [Create Asset Condition](#).
- Create asset condition lines. See [Create Condition Line](#).

Steps

Perform the following steps:

1. In the Asset Return and Asset Number fields, verify that the correct asset is in context by clicking the hypertext links.

If you need to locate the asset to put it into context, see Section 20.2.3, "Search for a Returned Asset Request".

2. On the Asset Condition Details page on the row that shows the item you want to edit, click the Details icon.

The Asset Condition Line Detail page appears.

3. Edit any of the available fields:

- **Part:** Enter free-form text.
- **Status:** Choose Pending, Repaired, Waiting for Approval.
- **Condition Type:** Choose Fair, Good, Not Applicable, Poor.
- **Damage Type:** Choose types such as Broken, Dented, Missing Parts, Non Repairable, Not Applicable, or Scratched.
- **Damage Description:** Enter free-form text to provide more information.
- **Repair Code:** Enter full or partial search criteria, click Go, and click a repair code.
- **Repair Description:** Displayed text based on repair code.
- **Estimated Repair Cost:** Cost based on selected repair code.
- **Actual Repair Cost:** Enter the actual cost of repairing the item.

Note: All costs are in the ledger currency.

- **Recommended Repair:** Enter free-form text to offer recommended repairs.

4. Click the Update button.

Generate Repair Invoice

After you create a record of the asset's overall condition, you have added detailed line items to describe specific areas of damage and repair, you may bill either the vendor or the lessee for the repairs. To bill either the vendor or the lessee, the status must be Approved.

The setup of billing items happens during implementation. For more information, see the *Oracle Lease and Finance Management Implementation Guide*.

Prerequisites

- Create the asset return. See [Create a Manual Asset Return Request](#).
- Place the asset into context. See [Search for a Returned Asset Request](#).
- Create a record of the asset's overall condition. See [Create Asset Condition](#).
- Enter the specific line item details that you want to bill the lessee or the vendor. See [Create Condition Line](#).

Steps

Perform the following steps:

1. In the Asset Return and Asset Number fields, verify that the correct asset is in context by clicking the hypertext links.

If you need to locate the asset to put it into context, see [Search for a Returned Asset Request](#).
2. Select the line items that you want to bill either the vendor or the lessee.
3. Click the respective Bill Vendor or Bill Lessee button.

A confirmation message indicates that the billing was successfully processed.

Asset Disposal

This chapter covers the following topics:

- Overview
- Asset Disposal

Overview

The Asset Return to Disposal process covers record keeping of returned assets, handling amortization and writedowns, evaluating the condition of an asset, determining what you want to do with the asset, and deploying your end-of-term strategies.

Asset Disposal

Asset Disposal refers to what you do with an off-lease asset after you have returned and evaluated it. Choices for asset disposal include scrapping the returned asset, remarketing the returned asset, re-leasing the returned asset, and repurchasing the returned asset.

The main topics of Asset Disposal are:

- Remarketing - Standard Process
- Custom Remarketing Process
- Re-Lease the Off-Lease Asset
- Repurchase the Off-Lease Asset
- Scrap the Off-Lease Asset

The Standard or Custom remarketing process is applicable to the entire operating unit. You can modify the remarketing process for each operating unit.

Remarketing - Standard Process

When you choose to remarket an off-lease asset, the following processes:

- Create a new item in inventory using the item description from the asset return request.
- Update the price on the Price List from the price on the asset return request.
- Let you enable the item for re-sale through iStore.
- Continue depreciation, as applicable.

This section covers how can use Oracle Lease and Finance Management to process returned off-least assets for resale. Other remarketing actions take place in other Oracle modules, such as Oracle iStore and Order Management. When you sell an asset through Oracle iStore, the Order Management module captures the details of the asset sale and creates the sale. In Oracle Lease and Finance Management, you can view details of the remarketing effort and the billing for the buyer of your asset. For more information on iStore and Order Management, refer to the document for those modules.

In Oracle Lease and Finance Management, you can monitor an asset's remarketing status and bill the buyer of the asset.

Topics in this section include:

- Specify Availability for Sale
- Search for Remarket Orders
- View Asset Sale Information
- View the Billing for a Sold Off-Lease Asset

Remarketing - Custom Process

The Custom remarketing process flow provides an alternative for creating sales orders for off-lease equipment through Oracle Order Management, instead of, or in addition to, through Oracle iStore. The Custom remarketing process helps you to create inventory items without having the Available-to-Promise (ATP) attribute selected, and allows you to define your own inventory item numbers. With the Custom remarketing flow, you are not required to configure Oracle iStore to remarket assets, and you can modify the custom remarketing workflow to implement enhanced processes.

When you select Custom, a workflow is started to:

1. Validate the prerequisite setups.
2. Create the item in Oracle Inventory. The item attributes default from the item

template you set up. If you do not specify a template, the default item attributes are applied.

3. Update the quantity in Oracle Inventory.
4. Update the price for the item in Oracle Advanced Pricing.
5. Finally, the remarketer can set up the Order Management, Order Line workflow to modify any of the steps in the workflow. For example, you can change the item attributes on the item created in Oracle Inventory. The remarketer is not required to configure Oracle iStore.

The remarketer enters the sale in Oracle Order Management, which launches an Oracle Order Management workflow that:

1. Issues the quantity purchased in Oracle Inventory.
2. Generates the bill of sale in Oracle Lease and Finance Management.
3. Closes the sales order in Oracle Order Management.
4. Retires the assets in Oracle Assets, and
5. Updates the asset return status in Oracle Lease and Finance Management.

You can modify, add to, or remove most of these processes, except:

- You cannot manually update the asset status to Available for Sale in Oracle Lease and Finance Management.
- If the entire quantity has been sold, you cannot retire assets in Oracle Assets or update the asset return status in Oracle Lease and Finance Management.

You can modify the item number to be created in Oracle Inventory, update the processes when the asset is made available for sale, and update the processes in the Order Management workflow, after the sale of the asset. Updates must include the retirement of the assets in Oracle Assets, and updating the asset return status in Oracle Lease and Finance Management.

You can specify whether the item to be applied on the remarketing invoice that is created through Oracle Lease and Finance Management, is a Contract item or a Remarketing item.

You can set up inventory items to remarket in Oracle Lease and Finance Management. Before you can create an inventory item for remarketing, however, you must first create a price list in Oracle Pricing, and then set up the following remarketing options for each operating unit: 1. On the Update Operational Options page, select the Inventory Organization, Sub-inventory, Price List, Remarketing Process, Item Template, and Item Invoiced. 2. Select Remarketing Process, Custom, to use the enhanced flow.

To create an inventory item to remarket, use the Asset Return page to view all assets to be returned, or refine your search using a search parameter. Select the asset and click the Return icon to change the Asset Return status to Available for Sale in the Asset Return Details page.

The Available for Sale status initiates the Custom remarketing process. The Inventory Item Number field is blank so you can create a unique inventory item. Enter the inventory item number, price, and details as desired, and click Update.

Specify Availability for Sale

To specify that an off-lease asset is available for sale, you update the asset's Return Status field to Available for Sale.

Prerequisites

- You have updated the item description.
- You have updated the item price.
- You have updated the Like Kind Exchange, if applicable.

Update Asset Return Status.

Impact of Making an Asset Available to Sale

When you make an asset available for sale:

- The Asset Status changes to Available for Sale.
- A validation process verifies that the contract has expired or terminated.
- If validation passes, then this creates an item in inventory using the description and price you entered.

Impact of Selling the Asset through iStore

When you sell an item through iStore:

- The Asset Status changes to Remarketed.
- A validation process verifies that the previous Asset Status was Available for Sale, and there are order lines for the entire quantity of assets.
- If validation passes, then you cannot update the Asset Status to any other choice.

Select a topic:

- Search for Remarket Orders

- View Asset Sale Information
- View the Billing for a Sold Off-Lease Asset

Search for Remarket Orders

You can locate and view remarket orders of off-lease assets that you are offering for resale.

Note: The system creates the sales order after a sale occurs in the iStore module

Prerequisites

The Order Management module includes the sales order for your asset.

Steps

You can find remarket orders by performing a list search in the **Remarket Orders** tab of the **Asset Management** page. List search is a search tool that helps retrieve information quickly and easily.

Perform the following steps:

1. Click **Show Filters**.

Note: You can hide filters by clicking **Hide Filters**.

2. Select the objects using the following filters:

- Operating Unit (mandatory field)
- Asset Number
- Customer
- Ordered Item Number
- Order Number
- Remarketer
- Order Date: This field uses a range of dates.

You can also include the following additional filters to the search criteria by clicking **Add**:

- Order Status
- Return Status
- Asset Return Status
- Ship Date: This field uses a range of dates.

Note: You can remove the additional filters from the search criteria by clicking the remove filter icon next to each added criteria.

3. Click **Go**.

The search results are displayed.

You can save searches by performing the following steps:

1. After selecting filters, click **Save**.
2. Perform the following actions in the **Create Saved Search** region:
 1. Enter a name for the saved search in the **Name** field.
 2. Select the **Display in Tile** checkbox to display a tile having this search's details in the **Remarket Orders** tab.

Additional Information: Tiles display the count of search records for the defined search filters. This count can be refreshed by clicking the refresh icon present on each tile. Clicking on a tile will show the filters selected for this saved search.

3. Select the **Set as Default** checkbox to make a saved search as the default search.
4. Click **OK**.

Even if a saved search is not saved as a tile, it will be displayed in the drop down beside **Show Filters/Hide Filters**. You can manage saved searches by clicking **Manage Saved Search** in this drop down.

Note: You can disable list search using the **Disable List Search** button in **Table Diagnostics**. After disabling list search, you can find remarket orders by performing either a simple or advanced search.

A simple search on the **Remarket Orders** tab includes the following parameters:

- Operating Unit (mandatory field)
- Asset Number
- Ordered Item Number
- Order Number
- Customer
- Remarketer

An advanced search allows you to expand or refine their search criteria.

Repurchase the Off-Lease Asset

When the vendor repurchases an off-lease asset, the process automatically triggers a sale to the vendor based on the terms and conditions defined on the vendor program contract.

The repurchasing of off-lease asset topics are:

- Specify Availability for Repurchasing: to indicate that the asset is available for repurchasing.
- Update Asset Return Status: to specify that the asset is available for repurchasing.
- Repurchase Asset: to record the repurchasing of the off-lease asset.

Specify Availability for Repurchasing

To specify that an off-lease asset is available for repurchase, you update the asset's Return Status field to Repurchased. See Update Asset Return Status.

Impact of Making an Asset Available for Repurchasing

When you specify that an asset available for repurchasing:

- The Asset Status changes to Repurchase.
- A validation process verifies that the vendor has accepted the repurchase quote.
- If validation passes, you cannot change the Asset Status to any other choice.

Supported Combinations of Quote Line Types for Repurchase Quotes

The following table shows valid combinations of quote line types and contract situations for repurchase quotes.

Supported Quote Line Types for Repurchase Quotes

Line Type	Applicability Based on Terms and Conditions	Ability to Specify Formula on Contract	Updatable After Creation of Quote	Define Stream for Billing and Accounting	Available for Manual Termination Quotes
Discount Rate	Yes	Yes	Yes	Yes	Yes
Quote Fee	Yes	Yes	Yes	Yes	No
Tax / VAT	Always applicable	Yes (at site level)	No	No	Yes
Miscellaneous	Yes	Yes	Yes	Yes	Yes
Sale Price	Yes	Yes	Yes	Yes	Not Applicable

Repurchase Asset

Use this procedure to record the sale of an asset to the vendor. In order to undertake a repurchase, you must have a repurchase agreement. You create the repurchase agreement when you author the contract. The repurchase agreement can be part of a vendor program agreement.

Prerequisites

- You have created the asset return and placed the asset into context.
- A repurchase agreement exists with a third party.
- The contract's terms and conditions includes a formula that defines the terms for repurchasing an asset.

Steps

Perform the following steps:

1. On the Asset Returns page, locate the asset by specifying one or more search criteria:
 - Asset Number
 - Asset Description
 - Remarketer

2. Click the Go button.
3. In the Results area, matches appear.
4. Under the Asset Number hypertext link, click the asset number that you want to use for repurchasing.

The Asset's detail page appears. This puts the asset into context.
5. On the navigation menu, click Repurchase Asset.

The Repurchase Asset page opens.
6. Click the Create Quote button.

The Repurchase Asset page shows more information, including the quote, calculated amounts, and the legal entity specified in the contract.
7. Edit one or more of these fields:
 - **Effective To:** date field
 - **Accepted** (check box): third party accepted the quote.
 - **Comments:** free-form text
8. Click the Update button to apply any changes.
9. Click the Send Quote button to send the quote to the third party.

View Asset Sale Information

Use the procedures in this section to view details of the asset that you sold through the iStore product. The Order Management module captures the details of the asset sale. In order to view the sold asset's details, you must put the asset into context by searching for it.

Prerequisites

Someone bought the asset through iStore.

Steps

Perform the following steps:

1. In the Remarket Orders page, enter one or more search criteria to locate and place the remarket order into context:
 - **Asset Number:** Asset number for asset sold; lets you navigate to Asset Details

page.

- **Item Number:** Sale information for the asset.
- **Order Number:** Sale information for the asset.
- **Customer:** The person or company that purchased the asset.
- **Remarketer:** The name of the person or business who is the remarketer responsible for the disposal of the asset.

2. Click the Go button.

In the Results area, matching assets appear.

3. In the Results area under the Order Number column, click the order's hypertext link.

The Asset Sale Details page opens. The Asset Sale Details page shows you the completed order information:

- **Asset Number:** Asset number for asset sold.
- **Description:** Brief asset description
- **Currency**
- **Order Number:** Sale information for the asset.
- **Order Date:** The date of the sales order.
- **Price:** Price of the item.
- **Cost:** Lessor's cost of the asset.
- **Item Number:** Sale information for the asset.
- **Description:** Item description.
- **Customer:** The person or business that bought the asset.
- **Ship To:** The address to which you shipped the asset.
- **Ship Date:** The date the shipping occurred.

View the Billing for a Sold Off-Lease Asset

You can view the billing to the buyer of your sold off-lease asset.

Prerequisites

You sold the asset.

Steps

Perform the following steps:

1. In the Remarket Orders page, enter one or more search criteria to locate and place the remarket order into context:
 - **Asset Number:** Asset number for asset sold; lets you navigate to Asset Details page.
 - **Item Number:** Sale information for the asset.
 - **Order Number:** Sale information for the asset.
 - **Customer:** The person or company that purchased the asset.
 - **Remarketer:** The name of the person or business who is the remarketer.
2. Click the Go button.

In the Results area, matching assets appear.
3. In the Results area under the Order Number column, click the order's hypertext link.
4. The Asset Sale Details page opens.
5. Click Billing.

The Asset Sale Details page shows you the billing information, such as Asset Number, Item Number, Description, Currency, Bill To, Bill Date, Invoice Number, Invoice Date, and Invoice Amount.

Re-Lease the Off-Lease Asset

When you choose to re-lease an off-lease asset, the asset becomes available for selection in the Re-leasing process in the Origination part of Oracle Lease and Finance Management.

Specify Availability for Re-Leasing

To specify that an off-lease asset is available for re-leasing, you update the asset's Return Status field to Re-lease. See Update Asset Return Status.

Impact of Making an Asset Available for Re-Leasing

When you specify that an asset is available for re-lease:

- The Asset Status changes to Re-lease.
- A validation process verifies that the contract has expired or terminated.
- If validation passes, then the item is available for re-leasing.

Scrap the Off-Lease Asset

When you choose to scrap an off-lease asset, the following processes happen:

- The asset is retired from Oracle Assets at a value of zero.
- Calculation is triggered for a gain or loss on disposal of the asset.

To scrap an off-lease asset, update the asset's Return Status field to Scrapped. See [Update Asset Return Status](#).

Impact of Scrapping an Off-Lease Asset

When you specify that an asset is available for scrapping:

- The Asset Status changes to Scrapped.
- A validation process verifies that the contract has expired or terminated.
- If validation passes, then you cannot change the Asset Status to any other choice.

Asset Disposal and Install Base Records

When an Asset Manager sells, disposes, or scraps an asset, the Install Base record is retained so that other Oracle applications, such as Service Contract and Oracle Service can service the asset.

Maintaining Contract Portfolios

This chapter covers the following topics:

- Overview
- Maintain Contract Portfolio

Overview

The Asset Return to Disposal process covers record keeping of returned assets, handling amortization and write-downs, evaluating the condition of an asset, determining what you want to do with the asset, and deploying your end-of-term strategies.

Maintain Contract Portfolio

Topics in this section include:

- Search and Update Contract Portfolio
- Update Contract Portfolio Budget Amount
- Notify Contract Portfolios on Execution Due Date

The Contract Portfolio concerns the end-of-term strategy. You define the end-of-term strategy when you originally set up the original contract. In the Contract Portfolio area, you can view and update these parameters. You may want to set up strategies, for example, and you would usually want to start your strategy some time before the contract terminates.

The objective of asset tracking is to track projected revenue that leased assets generate anticipated at or near the end of the contract.

Search and Update Contract Portfolio

Use this procedure to view and update the end-of-term strategy of a contract.

Prerequisites

You have included portfolio details at the time of authoring a contract.

Steps

Perform the following steps:

1. In the Search area of the Contract Portfolios page, enter one of more search criteria to locate the contract: Contract Number, Contract Status, Contract End Date (starting and ending date), Portfolio Status, Portfolio Execution Date,

2. Click the Go button.

In the Results area, matching contracts appear and show you: Contract Number, Contract Status, Contract End Date, Portfolio Status, Execution Date, Strategy, and Details.

3. Under the Contract Number column, click the contract's hypertext link to view or edit more information.

The Contract Portfolio page appears and shows you the original contract portfolio strategy (if it has not been edited).

4. View or edit the following fields:

- **Status:** Portfolio statuses include Pending Approval, Approved, Entered, and Processed.
- **Strategy:** Choose from a list of values that tell you want to do, such as: Initiate contact to upgrade by phone, Initiate contact to purchase by phone, Initiate contact to purchase by letter, Manually define strategy.
- **Assignment Group:** Choose from a searchable list the group assigned to this strategy.
- **Budget Amount:** The amount you expect to settle upon termination.
- **Execution Due Date:** The date to start the strategy.
- **Execution Actual Date:** The actual date that you performed the strategy.
- **Comments:** Enter any free-form text to describe the situation.

5. Click the Update button to apply any changes.

Notify Contract Portfolios on Execution Due Date

To send notifications regarding your contract's end-of-term strategy, you can:

- Define those notifications in the terms and conditions of the contract
- Run or schedule the Notify Contract Portfolios on Execution Due Date concurrent program.

The Notification of Contract Portfolios on Execution Due Date concurrent program:

- Sends notification to the assigned team or team members of the contract execution strategy by using Oracle Workflow.
- Initiates the execution of the strategy assigned to the contract.

Prerequisites

Portfolio details must have been included at the time of authoring the contract.

See Concurrent Programs., page B-1

Update Contract Portfolio Budget Amount

When you defined your contract's terms and conditions, you may have included a strategy for the contract's end-of-term or its contract portfolio. Part of the contract portfolio includes a budget amount.

If you established a budget for the contract portfolio, you would have based the budget on either a fixed amount or a formula. If your budget is based on a formula, then you must run the Update Contract Portfolio Budget Amount concurrent program to calculate the budget amount.

If your contract portfolio is based on a fixed amount, then do not run this program.

The Update Contract Portfolio Budget Amount concurrent program:

- Updates the budget amount for the contract portfolio.
- Executes the formula used during Contract Portfolio creation.

See Concurrent Programs., page B-1

Prerequisites

Portfolio details were included at the time of authoring a contract.

Part 9

Period Open to Close

Accounting Integration

Accounting Integration Overview

The Oracle Lease and Finance Management accounting process is the result of the integration of several different applications within the Oracle E-Business Suite. In Oracle Lease and Finance Management, a transaction is created, associated to a newly generated subledger journal, and posted to the primary ledger. The following table describes a high level overview of this process.

Oracle Lease and Finance Management Accounting Business Process

Step	Application	Description
Create Transaction	Oracle Lease and Finance Management	You create an accounting transaction.
Accounting Event	Oracle Lease and Finance Management	Oracle Lease and Finance Management evaluates the accounting templates and creates an accounting event.

Step	Application	Description
Create Subledger Journal	Oracle Lease and Finance Management	<p>Oracle Subledger Accounting takes the accounting event data and transaction sources, evaluates accounting definitions, and creates a subledger journal.</p> <p>To create a subledger journal, you must run the Create Accounting program in Oracle Lease and Finance Management.</p>
Create Primary Ledger Journal	Oracle General Ledger	The subledger journal is transferred to the primary ledger and the process creates the Oracle General Ledger journal.

Oracle Lease and Finance Management Transaction Accounting

Oracle Lease and Finance Management lease and loan contract transactions can be accounted in different applications of the E-Business Suite. The following sections describe the different categories of Oracle Lease and Finance Management transactions.

Oracle Lease and Finance Management Transactions

Transactions such as booking, rebook, accrual, and termination are created in Oracle Lease and Finance Management. Oracle Lease and Finance Management creates an accounting event corresponding to each transaction. The accounting events are processed by running the Create Accounting concurrent program to create a subledger journal. After the subledger journal is created, you must run the Oracle General Ledger transfer program to transfer the subledger journal to Oracle General Ledger for posting.

For more information on Oracle Lease and Finance Management transaction accounting, see Oracle Lease and Finance Management Subledger Accounting Flow.

Oracle Receivables Transactions

Billing and credit memo transactions created in Oracle Lease and Finance Management are interfaced to Oracle Receivables to generate invoices and credit memos. Receipts entered in Oracle Lease and Finance Management through the Manual Receipt or Batch Receipt methods, or in Receivables through the Lockbox method, are created in

Receivables. You can use any of the methods to create a receipt in Receivables and apply it to the contract invoices. Receipt application and invoice adjustment transactions are also created in Receivables.

All Receivables transactions are accounted in Receivables. After transaction data is imported into Receivables, you must run the Create Accounting program in Receivables to create a subledger journal. After the subledger journal is created, you must run the Oracle General Ledger transfer program to transfer the subledger journal to Oracle General Ledger for posting.

For more information on Oracle Lease and Finance Management transaction accounting, see Oracle Lease and Finance Management Subledger Accounting Flow.

Oracle Payables Transactions

Oracle Payables transactions such as funding, disbursements, and debit memos created in Oracle Lease and Finance Management are interfaced to Oracle Payables to generate Payables invoices or debit memos. Payments are created in Oracle Payables.

After transaction data is imported into Oracle Payables, you must run the Create Accounting program in Oracle Payables to create a subledger journal. After the subledger journal is created, you must run the Oracle General Ledger transfer process to transfer the subledger journal to Oracle General Ledger for posting.

For more information on Oracle Lease and Finance Management transaction accounting, see Oracle Lease and Finance Management Subledger Accounting Flow.

Asset Transactions

Asset-related transactions resulting from any operation on a contract or asset in Oracle Lease and Finance Management are created in Oracle Assets in the corporate book that is associated with the primary ledger in Oracle Lease and Finance Management. Examples of the asset transactions created are asset addition, asset adjustment, and retirement. When asset transactions are created in Oracle Lease and Finance Management, corresponding transactions are created in Oracle Assets. Depreciation transactions are created in Oracle Assets by running the Run Depreciation program in Oracle Assets.

After transactions are created in Oracle Assets, you must run the Create Accounting program to create a subledger journal in Oracle Assets. After the subledger journal is created, you must run the Oracle General Ledger transfer program to transfer the subledger journal to Oracle General Ledger for posting.

For more information on Oracle Lease and Finance Management transaction accounting, see Oracle Lease and Finance Management Subledger Accounting Flow.

Components of Oracle Lease and Finance Management Accounting

The primary components of the accounting process in Oracle Lease and Finance

Management are as follows:

1. Ledgers
2. Subledger Accounting
3. Source Transactions and Accounting Sources

Ledgers

A ledger is a set of accounting information for a legal or business entity. Each ledger is associated with a chart of accounts, calendar, currency, and subledger accounting method for which accounting information is recorded

The primary ledger is the main accounting representation. A primary ledger can have secondary ledgers associated with it. Secondary ledgers are an alternative representation of the accounting with a different accounting treatment than the primary ledger for a legal or business entity.

Multiple ledgers can be defined and grouped in a ledger set. For more information on ledgers, see *Oracle General Ledger User Guide*.

Subledger Accounting

Oracle Subledger Accounting provides a common accounting infrastructure for accounting setup for accounting transactions in the Oracle E-Business Suite and is a repository for subledger journal information. For information on subledger accounting, see *Oracle Subledger Accounting Implementation Guide*.

Source Transactions and Accounting Sources

Transactions are generated in E-Business suite applications like Oracle Lease and Finance Management, Oracle Receivables, and Oracle Payables. The transactions are accounted in subledger using the accounting setup and transaction information. The accounting source is pieces of transaction information that is available for configuring accounting for the transaction and deriving the entire subledger journal. The flexibility of Oracle Lease and Finance Management allows multiple accounting configurations to meet the differing requirements of lessors.

For more information on Oracle Lease and Finance Management accounting configuration, see *Oracle Lease and Finance Management Implementation Guide*.

Setup Considerations for Oracle Lease and Finance Management Accounting

Setup Considerations Overview

Oracle Lease and Finance Management has the flexibility to configure accounting for many different business scenarios depending upon the requirements of the lessor. Before initiating the setup of Oracle Lease and Finance Management accounting, lessors should review the following key accounting considerations to determine their best option.

1. Should transactions be accounted in a single ledger or in multiple ledgers?
2. Can the account code be derived based on a limited number of sources associated with the accounting template, or will additional sources beyond those associated with the accounting template be required?

For a general overview of accounting in Oracle Financials applications, see Accounting with Oracle Financials Applications, *Oracle Financials Concepts Guide*.

Single or Multiple Ledgers

Lessors can operate within a single country or in multiple countries. If you are operating in a single country, all transactions may be accounted in a single ledger.

However, when you operate in multiple countries, you can account for the lease and loan contract transactions in more than one ledger. For example, one ledger may be used to generate financial reports in the country where the contract is executed, and another ledger for financial reports in the country where the worldwide headquarters are based.

For accounting in a single ledger, define one primary ledger in Oracle General Ledger. For accounting in multiple ledgers, define one primary ledger with multiple secondary ledgers in Oracle General Ledger.

Customers upgrading from prior versions will have the set of books automatically converted into a Primary Ledger.

Limited or Expanded Lease Transaction Elements

Lessors may have different requirements for deriving their account codes. You may require a large number of lease elements for configuring account codes or you may prefer limited configurability and predefined values for account codes. To provide for these different requirements, Oracle Lease and Finance Management provides the following two accounting options:

- **Accounting Template Set (ATS):** Lessors preferring to use predefined account

codes for different lease transactions should choose this accounting option. Account codes will be derived using Oracle Lease and Finance Management's Accounting Template Lines functionality. Customers upgrading from prior versions will have the accounting option default in as ATS.

- **Account Method Builder (AMB):** Lessors requiring more flexibility in deriving account codes should choose this accounting option. You can set up accounting rules in Account Method Builder, and these rules will use the accounting sources of Oracle Lease and Finance Management to create the necessary accounting.

Contract Level Accounting Review

Some lessors require review of the accounting trial balance for each contract. All accounting created in Oracle Lease and Finance Management, Oracle Receivables, Oracle Payables, and Oracle Assets can be reviewed at the contract level with Oracle Subledger Accounting's Supporting Reference functionality by defining the contract number as the supporting reference, and associating it with each subledger journal.

The additional setups to be done for this functionality are detailed in the *Oracle Subledger Accounting Implementation Guide*.

For information on Supporting Reference, see the *Oracle Subledger Accounting Implementation Guide*.

Oracle Lease and Finance Management Accounting Options

Oracle Lease and Finance Management Accounting Options Overview

Oracle Lease and Finance Management provides the following two options for deriving accounting codes:

- Accounting Template Set (ATS)
- Account Method Builder (AMB)

The accounting option can be changed one time from ATS to AMB. However, once the option is set as AMB, it cannot be changed to ATS. During new implementation, the default value for accounting option is AMB.

Accounting Template Set

Account codes are derived for Oracle Lease and Finance Management transactions using the Accounting Template Set. Accounting codes are defined on the Accounting Template Lines. The codes can be predefined or derived by using the Account Generator.

The account codes derived in Oracle Lease and Finance Management are sent to Oracle

Subledger Accounting as default accounts. Seeded AMB setup is designed to derive the default account code supplied by Oracle Lease and Finance Management as the source for the accounting transaction.

Account Method Builder

For greater flexibility in deriving account codes, lessors can select the AMB accounting option. This option allows lessors to set up accounting rules in the Accounting Method Builder. These rules can use the Accounting Sources of Oracle Lease and Finance Management to provide a greater number of lease elements for configuring account codes.

With the AMB accounting option, Oracle Lease and Finance Management Accounting Template Lines are not used. Instead, lease-specific accounting sources are used to derive account codes. Accounting from Oracle Receivables, Oracle Payables, and Oracle Assets can also use lease-specific accounting sources. If the accounting option is set to AMB, you cannot change to the ATS accounting option.

Integration with Oracle Subledger Accounting

Overview of the Integration with Oracle Subledger Accounting

Oracle Lease and Finance Management fully integrates with Oracle Subledger Accounting so that you can create accounting for your lease contract transactions. Oracle Subledger Accounting is an intermediate step between several Oracle applications, including Oracle Lease and Finance Management, Oracle Payables, Oracle Receivables, and Oracle Assets, on one side and Oracle General Ledger on the other. Oracle Subledger Accounting creates the Oracle General Ledger journals for subledger journal entries and transfers the accounting to Oracle General Ledger. Oracle Subledger Accounting stores a complete and balanced subledger journal entry in a common data model for each business event that requires accounting. In addition, Oracle Subledger Accounting can create more than one accounting representation for each transaction.

Oracle Subledger Accounting provides a uniform approach to accounting that enables you to configure accounting rules for applications that require accounting. It includes a common user interface and a set of programs that can generate accounting for Oracle applications. When you set up rules in Oracle Subledger Accounting, you can define the types of journal lines, descriptions, and account codes used for each journal line. Oracle Subledger Accounting partitions data by application, while storing the information in a common model.

Oracle Lease and Finance Management generates transactions and accounting events for each transaction, and the Create Accounting Process takes the accounting event and generates the subledger journal entries using the accounting sources and accounting setup information. For more information on Oracle Lease and Finance Management accounting options, see Oracle Lease and Finance Management Accounting Options.

For an overview of subledger accounting in Oracle Financials, see Oracle Subledger Accounting in Oracle Financials, *Oracle Financials Concept Guide*.

For a detailed explanation of Oracle Subledger Accounting business process, see the *Oracle Subledger Accounting Implementation Guide*.

Oracle Lease and Finance Management Event Model

Oracle Lease and Finance Management generates accounting events for transactions that have a financial accounting impact. The Create Accounting process generates subledger journal entries for the accounting events. For example, when a contract is booked, the booking transaction is generated. When the transaction is generated, Oracle Lease and Finance Management creates an accounting event for the booking of the transaction. Next, you run the Create Accounting process to generate accounting entries for the accounting events in Oracle Subledger Accounting.

Oracle Lease and Finance Management has seeded the Application Event Model. Oracle Lease and Finance Management creates accounting events for each transaction using the Oracle Lease and Finance Management event model. Oracle Subledger Accounting processes the accounting events to generate subledger journals based on the AMB setup for the components of an event model. The same event model is also used by Oracle E-Business Tax for tax determination and tax calculation. The event model has the following three components.

- Event Entity
- Event Class
- Event Type

Event Entity

An accounting event entity enables Oracle Subledger Accounting to handle the accounting for similar business events in a consistent manner. Oracle Lease and Finance Management predefines the following seven accounting event entities.

- Contracts
- Transactions
- Assets
- Investor Agreements
- Asset Management Quotes
- Sales Quotes
- Tax Schedule Requests

Event Class

Each event entity is associated with one or more event classes. An event class represents a category of business events for a particular transaction type or document. For example, some of the event classes that Oracle Lease and Finance Management predefines within the event entity Contracts include Booking, Rebook, and Termination. Event classes group similar event types and enable the sharing of accounting definitions.

Event Type

An event type represents a business operation that you can perform for an event class. An accounting event has both an event class and an event type that affect how the Create Accounting process determines the subledger accounting. Event types provide the lowest level of detail for storing accounting definitions. For example, the Oracle Lease and Finance Management event class Booking is subject to six types of business operations that are represented by the following event types: Booking Create, Booking Cancel, Booking Delete, Booking Update, Booking Tax Override, and Booking Reverse.

Relationship between Oracle Lease and Finance Management Transactions and the Event Entity Model

Oracle Lease and Finance Management provides a predefined set of event classes and event types for each accounting event entity. The following tables describe the relationship between Oracle Lease and Finance Management transactions and the Oracle Lease and Finance Management Event Entity Model.

Event Entity	Event Class	Oracle Lease and Finance Management Transaction Type	Event Type	Accounting Enabled	Tax Enabled
Transactions	Accrual	Accrual	Accrual Create	Yes	No
Transactions	Accrual	Accrual	Accrual Reverse	Yes	No
Transactions	General Loss Provision	General Loss Provision	General Loss Provision Create	Yes	No
Transactions	General Loss Provision	General Loss Provision	General Loss Provision Reverse	Yes	No

Event Entity	Event Class	Oracle Lease and Finance Management Transaction Type	Event Type	Accounting Enabled	Tax Enabled
Transactions	Specific Loss Provision	Specific Loss Provision	Specific Loss Provision Create	Yes	No
Transactions	Specific Loss Provision	Specific Loss Provision	Specific Loss Provision Reverse	Yes	No
Transactions	Receipt Application	Receipt Application	Receipt Application Create	Yes	No
Transactions	Principal Adjustment	Principal Adjustment	Principal Adjustment Create	Yes	No
Assets	Asset Relocation	Asset Relocation	Asset Relocation Create	No	Yes
Assets	Asset Relocation	Asset Relocation	Asset Relocation Cancel	No	Yes
Assets	Asset Relocation	Asset Relocation	Asset Relocation Delete	No	Yes
Assets	Asset Relocation	Asset Relocation	Asset Relocation Tax Override	No	Yes
Assets	Asset Relocation	Asset Relocation	Asset Relocation Update	No	Yes
Contracts	Booking	Booking	Booking Create	Yes	Yes

Event Entity	Event Class	Oracle Lease and Finance Management Transaction Type	Event Type	Accounting Enabled	Tax Enabled
Contracts	Booking	Booking	Booking Reverse	Yes	No
Contracts	Booking	Booking	Booking Cancel	No	Yes
Contracts	Booking	Booking	Booking Delete	No	Yes
Contracts	Booking	Booking	Booking Tax Override	No	Yes
Contracts	Booking	Booking	Booking Update	No	Yes
Contracts	Rebook	Rebook	Rebook Create	Yes	Yes
Contracts	Rebook	Rebook	Rebook Reverse	No	Yes
Contracts	Rebook	Rebook	Rebook Cancel	No	Yes
Contracts	Rebook	Rebook	Rebook Delete	No	Yes
Contracts	Rebook	Rebook	Rebook Tax Override	No	Yes
Contracts	Rebook	Rebook	Rebook Update	No	Yes
Contracts	Release	Release	Release Create	Yes	Yes
Contracts	Termination	Termination	Termination Create	Yes	No

Event Entity	Event Class	Oracle Lease and Finance Management Transaction Type	Event Type	Accounting Enabled	Tax Enabled
Contracts	Upfront Tax	Upfront Tax	Upfront Tax Create	Yes	Yes
Contracts	Upfront Tax	Upfront Tax	Upfront Tax Reverse	Yes	Yes
Contracts	Asset Disposition	Asset Disposition	Asset Disposition Create	Yes	No
Contracts	Evergreen	Evergreen	Evergreen Create	Yes	No
Contracts	Split Asset	Split Asset	Split Asset Create	Yes	No
Investor Agreements	Investor	Investor	Investor Create	Yes	No
Sales Quotes	Sales Quote	Sales Quote	Sales Quote Create	No	Yes
Tax Schedule Requests	Tax Schedule	Tax Schedule	Tax Schedule Create	No	Yes
Asset Management Quotes	Estimated Billing	Estimated Billing	Estimated Billing Create	No	Yes

Accounting Sources

Accounting sources are pieces of information that Oracle Subledger Accounting uses to determine how to create accounting for an accounting event. Sources are a key component for setup in the Account Method Builder (AMB). You use sources to provide information about transactions to Oracle Subledger Accounting. For example, Oracle Lease and Finance Management predefines such sources as Contract Number, Book Classification, Transaction Type, and others

Oracle Lease and Finance Management assigns each set of sources to either an event

entity or an event class to make them available for the creation of subledger journal entries. The sources assigned to the event class are available for all the event types associated with the event class.

Oracle Lease and Finance Management also assigns the predefined sources to accounting attributes. Accounting attributes are values that the Create Accounting process requires to create subledger journal entries. The Create Accounting process uses the sources assigned to the accounting attributes to determine the values of the accounting attributes.

You can use the Accounting Methods Builder to review source assignments and accounting attribute assignments for each event class. For additional information on AMB, see *Oracle Subledger Accounting Implementation Guide*.

When a transaction is created in Oracle Lease and Finance Management for an event class, Oracle Lease and Finance Management determines the values for each source that is assigned to the event class and makes them available at the time of journal entry generation. The Create Accounting program uses source values to evaluate the setup for the components of the Application Accounting Definition in AMB to create the subledger journal.

Oracle Lease and Finance Management seeds a wide variety of sources to provide maximum flexibility in creating accounting definitions. Using these seeded sources, you can create unique accounting definitions to match your accounting needs.

Following is an example of how source values can be used to derive accounting: The Accounting Rule defined by the user:

- If Sales Representative = John Smith, Account code to default as 50016
- If Sales Representative = Peter Jackson, Account code to default as 50018

Based on the above accounting rule, if the transaction has a source value for the Sales Representative as John Smith, then the account code used is 50016.

Oracle Lease and Finance Management Subledger Accounting Flow

Oracle Lease and Finance Management ATS Subledger Accounting Flow

Oracle Lease and Finance Management provides the two accounting options of ATS and AMB. When the accounting option is ATS, the Oracle Lease and Finance Management Accounting Template Set is used to derive the account codes. These account codes are then passed, along with the transaction, as a source value. Subledger journals are created using seeded accounting rules in Oracle Subledger Accounting and the default account codes.

The following table describes what happens when an accounting transaction is created in Oracle Lease and Finance Management.

Oracle Lease and Finance Management ATS Subledger Accounting Flow

Event	Description
Create Transaction	You create an accounting transaction in Oracle Lease and Finance Management and a call is made to the Oracle Lease and Finance Management accounting engine.
Accounting Template Evaluated	The applicable accounting template is evaluated.
Amount Derived From Formula	An amount is derived from a formula, if applicable. This occurs only for transactions where the amount is derived using formulas, like Booking.
Account Codes Derived	Since the account derivation option is ATS, the accounting engine evaluates the accounting template lines and provides the template line CCID as a source.
Accounting Event Created	An accounting event is created for the transaction.
Create Journals	To create journals, you must run Oracle Subledger Accounting's Create Accounting program.
Accounting Events Processed	When the Oracle Subledger's Accounting Create Accounting program is run, it identifies the accounting events that need to be processed.
Transaction Object Loaded	The process loads the transaction object and selects the sources.
Accounting Rules Evaluated	Seeded Oracle Lease and Finance Management accounting rules are evaluated.
Subledger Journals Created	Subledger journals are created using the Accounting Flexfield CCID from the transaction data.

Event	Description
Journal Transferred	The journal is then transferred to Oracle General Ledger.

Oracle Lease and Finance Management ATS Transactions

The following table describes the accounting flow for ATS transactions originating in Oracle Lease and Finance Management and accounted in Oracle Subledger Accounting.

Accounting Flow for ATS Transactions in Oracle Lease and Finance Management

Action	Application
Create Accounting Transactions	Oracle Lease and Finance Management
Call Accounting Engine	Oracle Lease and Finance Management
Evaluate Accounting Template	Oracle Lease and Finance Management
Derive Amount	Oracle Lease and Finance Management
Derive Account Codes	Oracle Lease and Finance Management
Create Accounting Distributions	Oracle Lease and Finance Management
Capture Accounting Sources (including Account Codes)	Oracle Lease and Finance Management
Create Accounting Event	Oracle Lease and Finance Management
Identify Accounting Event	Oracle Subledger Accounting
Select Sources	Oracle Subledger Accounting
Evaluate Seeded Accounting Rules	Oracle Subledger Accounting
Create Subledger Journal (with Oracle Lease and Finance Management Account Codes)	Oracle Subledger Accounting
Transfer to General Ledger	Oracle Subledger Accounting

Oracle Lease and Finance Management ATS Transactions Through Oracle Payables

The following table describes the accounting flow for ATS transactions originating in Oracle Lease and Finance Management and interfaced to Oracle Payables.

Accounting Flow for ATS Transactions in Oracle Lease and Finance Management Through Oracle Payables

Action	Application
Create Billing Transactions	Oracle Lease and Finance Management
Call Accounting Engine	Oracle Lease and Finance Management
Evaluate Accounting Template	Oracle Lease and Finance Management
Derive Account Codes	Oracle Lease and Finance Management
Create Distributions (with Template CCID)	Oracle Lease and Finance Management
Capture Accounting Sources	Oracle Lease and Finance Management
Populate Payables Interface Table	Oracle Lease and Finance Management
Submit Invoice Import Program	Oracle Payables
Create Invoice	Oracle Payables
Use CCID from Interface	Oracle Payables
Populate Transaction Objects with Oracle Payables and Oracle Lease and Finance Management Sources	Oracle Payables
Create Accounting Event	Oracle Payables
Identify Accounting Events	Oracle Subledger Accounting
Load Transaction Objects	Oracle Subledger Accounting
Select Source Values from Transaction Objects	Oracle Subledger Accounting

Action	Application
Use Sources and Apply Accounting Definitions	Oracle Subledger Accounting
Create Subledger Journal	Oracle Subledger Accounting
Transfer to General Ledger	Oracle Subledger Accounting

Oracle Lease and Finance Management ATS Transactions Through Oracle Receivables

The following table describes the accounting flow for ATS transactions originating in Oracle Lease and Finance Management and interfaced to Oracle Receivables.

Accounting Flow for ATS Transactions in Oracle Lease and Finance Management Through Oracle Payables

Action	Application
Create Billing Transactions	Oracle Lease and Finance Management
Call Accounting Engine	Oracle Lease and Finance Management
Evaluate Accounting Template	Oracle Lease and Finance Management
Derive Account Codes	Oracle Lease and Finance Management
Create Distributions (with Template CCID)	Oracle Lease and Finance Management
Capture Accounting Sources	Oracle Lease and Finance Management
Populate Receivables Interface Table	Oracle Lease and Finance Management
Submit Auto Invoice Program	Receivables
Create Invoice	Receivables
Use CCID from Interface	Receivables
Populate Transaction Objects with Receivables and Oracle Lease and Finance Management Sources	Receivables

Action	Application
Create Accounting Event	Receivables
Identify Accounting Events	Oracle Subledger Accounting
Load Transaction Objects	Oracle Subledger Accounting
Select Source Values from Transaction Objects	Oracle Subledger Accounting
Use Sources and Apply Accounting Definitions	Oracle Subledger Accounting
Create Subledger Journal	Oracle Subledger Accounting
Transfer to General Ledger	Oracle Subledger Accounting

Oracle Lease and Finance Management AMB Subledger Accounting Flow

When the accounting option is AMB, the Oracle Lease and Finance Management Accounting Template Lines are not used. Instead, you define accounting rules using the AMB tool in Oracle Subledger Accounting. Subledger journals are created using the source values of the transaction and the user-defined accounting rules.

The following table describes what happens when an accounting transaction is created in Oracle Lease and Finance Management.

Oracle Lease and Finance Management AMB Subledger Accounting Flow

Event	Description
Create Transaction	You create an accounting transaction in Oracle Lease and Finance Management and a call is made to the Oracle Lease and Finance Management accounting engine.
Accounting Template Evaluated	The applicable accounting template is evaluated.

Event	Description
Amount Derived From Formula	An amount is derived from a formula, if applicable. This occurs only for transactions where the amount is derived using formulas, like Booking.
Source Values Captured	The accounting source values are captured.
Accounting Event Created	An accounting event is created for the transaction.
Create Journals	To create journals, you must run Oracle Subledger Accounting's Create Accounting program.
Accounting Events Processed	When the Oracle Subledger Accounting's Create Accounting program is run, it identifies the accounting events that need to be processed.
Transaction Object Loaded	The process loads the transaction object and selects the sources.
Transaction Sources Selected	The transaction sources are selected from the transaction object.
Accounting Rules Evaluated	User-defined accounting rules are evaluated.
Subledger Journals Created	Subledger journals are created using the source values passed with the transaction.
Journal Transferred	The journal is then transferred to Oracle General Ledger.

Oracle Lease and Finance Management AMB Transactions

The following table describes the accounting flow for AMB transactions originating in Oracle Lease and Finance Management and accounted in Oracle Subledger Accounting.

Accounting Flow for AMB Transactions in Oracle Lease and Finance Management

Action	Application
Create Accounting Transactions	Oracle Lease and Finance Management
Call Accounting Engine	Oracle Lease and Finance Management
Evaluate Accounting Template	Oracle Lease and Finance Management
Derive Amount	Oracle Lease and Finance Management
Capture Accounting Sources	Oracle Lease and Finance Management
Create Accounting Event	Oracle Lease and Finance Management
Identify Accounting Event	Oracle Subledger Accounting
Select Sources	Oracle Subledger Accounting
Evaluate User-Defined Accounting Rules	Oracle Subledger Accounting
Create Subledger Journal	Oracle Subledger Accounting
Transfer to General Ledger	Oracle Subledger Accounting

Oracle Lease and Finance Management AMB Transactions Through Oracle Payables

The following table describes the accounting flow for AMB transactions originating in Oracle Lease and Finance Management and interfaced to Oracle Payables.

Accounting Flow for AMB Transactions in Oracle Lease and Finance Management Through Oracle Payables

Action	Application
Create Billing Transactions	Oracle Lease and Finance Management
Call Accounting Engine	Oracle Lease and Finance Management
Capture Accounting Sources	Oracle Lease and Finance Management

Action	Application
Populate Payables Interface Table	Oracle Lease and Finance Management
Submit Invoice Import Program	Oracle Payables
Create Invoice	Oracle Payables
Populate Transaction Objects with Oracle Payables and Oracle Lease and Finance Management Sources	Oracle Payables
Create Accounting Event	Oracle Payables
Identify Accounting Events	Oracle Subledger Accounting
Load Transaction Objects	Oracle Subledger Accounting
Select Source Values from Transaction Objects	Oracle Subledger Accounting
Evaluate User-Defined Accounting Rules	Oracle Subledger Accounting
Create Subledger Journal	Oracle Subledger Accounting
Transfer to General Ledger	Oracle Subledger Accounting

Oracle Lease and Finance Management AMB Transactions Through Oracle Receivables

The following table describes the accounting flow for AMB transactions originating in Oracle Lease and Finance Management and interfaced to Oracle Receivables.

Accounting Flow for AMB Transactions in Oracle Lease and Finance Management Through Oracle Payables

Action	Application
Create Billing Transactions	Oracle Lease and Finance Management
Call Accounting Engine	Oracle Lease and Finance Management
Capture Accounting Sources	Oracle Lease and Finance Management

Action	Application
Populate Receivables Interface Table	Oracle Lease and Finance Management
Submit Auto Invoice Program	Oracle Receivables
Create Invoice	Oracle Receivables
Populate Transaction Objects with Oracle Receivables and Oracle Lease and Finance Management Sources	Oracle Receivables
Create Accounting Event	Oracle Receivables
Identify Accounting Events	Oracle Subledger Accounting
Load Transaction Objects	Oracle Subledger Accounting
Select Source Values from Transaction Objects	Oracle Subledger Accounting
Evaluate User-Defined Accounting Rules	Oracle Subledger Accounting
Create Subledger Journal	Oracle Subledger Accounting
Transfer to General Ledger	Oracle Subledger Accounting

Oracle Subledger Accounting Setup

Any accounting event created in an Oracle application is accounted in Oracle Subledger Accounting with the entered accounting definitions. Before Oracle Subledger Accounting can be utilized, all accounting for subledgers must be set up. For detailed information on how to set up accounting definitions for Oracle Subledger Accounting, see *Oracle Subledger Accounting Implementation Guide*.

Multi-GAAP Accounting

Multi-GAAP Accounting Overview

Large leasing business organizations with multinational operations may be required to account and report results of their operations using multiple sets of accounting principles called Generally Accepted Accounting Principles (GAAP). For example, in addition to reporting the results of operations as per the local GAAP, multinational

leasing organizations may be required to prepare their accounting reports as per the GAAP applicable in the home country of the parent company for consolidation. In the leasing business, this accounting is more complex because the accounting scheme may change across different geographic regions, and the rules that determine the lease classification of the contract may also be different.

The Oracle Lease and Finance Management Multi-GAAP accounting feature addresses the varied accounting and reporting needs of the leasing business organization operating across multiple countries. The Multi-GAAP accounting feature enables multinational companies to generate two accounting representations of the contract transaction using two sets of GAAP. Multi-GAAP leverages the architecture of subledger accounting (SLA) and Ledger to generate accounting in the primary ledger and one associated secondary ledger, each automatically using different GAAP.

For example, a single contract can be an Operating Lease as per local laws and Finance Lease as per laws applicable to the parent company. With Multi-GAAP accounting, you can define accounting rules to generate accounting in primary ledger (local ledger) as per local laws and in secondary ledger (parent company ledger) as per the laws applicable to parent company.

Oracle Lease and Finance Management offers the following Multi-GAAP accounting options:

- Automatic Multi-GAAP Accounting
- Manual Multi-GAAP Accounting

Automatic Multi-GAAP Accounting

Automatic Multi-GAAP accounting in Oracle Lease and Finance Management enables you to book a contract that is accounted in two ledgers, one primary ledger and one associated secondary ledger. This is achieved by associating the contract with a financial product which has a reporting product. The financial product determines the accounting in primary ledger and the reporting product determines the accounting in secondary ledger based on system options setups for representations and asset books. Each ledger has its own separate subledger accounting method by which contract transactions are processed for accounting. The Chart of Accounts and Currency associated with the primary and secondary ledgers must be the same due to Oracle Assets requirements.

The various processes, such as booking, billing, accrual, and terminations create transactions. Oracle Lease and Finance Management and Oracle Assets, which are registered as valuation applications in SLA, create separate transactions for each ledger. Oracle Receivables and Oracle Payables, which are registered as non-valuation applications in SLA, create a single transaction for primary ledger and all secondary ledgers.

These transactions are then processed by the Create Accounting concurrent program in the respective applications and generate subledger journals for each ledger using the

subledger accounting method automatically associated to the individual ledger. Accounting in both primary and secondary ledgers is generated by Oracle Lease and Finance Management. Journals are then posted in each ledger.

Oracle Lease and Finance Management has the following two options for generating the account codes for contract transactions:

- Generate Default Account Codes in Oracle Lease and Finance Management
- Generate Account Codes in SLA

Overview of Generate Default Account Codes in Oracle Lease and Finance Management

When you generate default account codes in Oracle Lease and Finance Management, the default account codes are derived based on the accounting template set associated with the financial product and passed to SLA as a source. The account code source, along with other sources, are available for defining conditions in the Account Derivation Rules setup in SLA, and these rules are evaluated when transactions are processed by the Create Accounting concurrent program.

This method involves less manual intervention and cost for creating accounting in the secondary ledger compared to the manual Multi-GAAP accounting option. However, this method requires a higher maintenance cost for accounting template set setup.

You can switch to the Multi-GAAP accounting option where account codes are generated in SLA by changing the Account Derivation Method to Account Method Builder (AMB).

Generate Default Account Codes in Oracle Lease and Finance Management

This section consists of the following topics:

- Generate Default Account Codes in Oracle Lease and Finance Management Overview
- Generate Default Account Codes in Oracle Lease and Finance Management Setup
- Generate Default Account Codes in Oracle Lease and Finance Management Process

Generate Default Account Codes in Oracle Lease and Finance Management Setup

Before you can generate default account codes in Oracle Lease and Finance Management, you must complete the following setup tasks:

- Set the Account Derivation Option to Accounting Template Set
- Set the Secondary Representation Method to Automated Accounting
- Set Up a Reporting Product Tax Book

- Set Up a Financial Product with Reporting Products

For information on these set up tasks, see *Accounting Options, Oracle Lease and Finance Implementation Guide*.

Generate Default Account Codes in Oracle Lease and Finance Management Process

To generate accounting in primary and secondary ledgers in Oracle Lease and Finance Management, perform the following tasks:

- Author a Contract
- Generate Contract Transactions
- Run the Create Accounting concurrent program for both Primary and Secondary Ledgers
- Transfer the accounting to Oracle General Ledger and post the Journals

Generate Account Codes in SLA

This section consists of the following topics:

- Generate Account Codes in SLA Overview
- Generate Account Codes in SLA Setup
- Generate Account Codes in SLA Process

Generate Account Codes in SLA Overview

When you generate account codes in SLA, the account codes are derived based on the subledger accounting method associated to the ledger. In this method, no account code is generated in Oracle Lease and Finance Management, and thus an Oracle Lease and Finance Management account code is not available as a source for the Account Derivation Rules setup. But all other accounting sources are available for defining conditions in the Account Derivation Rules setup, and these sources are evaluated when transactions are processed by the Create Accounting concurrent program.

Generating account codes in SLA involves less manual intervention and cost for creating accounting in the secondary ledger when compared to the manual Multi-GAAP accounting option. However, this method requires the additional task of setting up the subledger accounting method for the secondary ledger and maintaining both subledger accounting methods for primary and secondary ledgers.

You cannot change the Account Derivation Method from AMB to Accounting Template Set.

Generate Account Codes in SLA Setup

Before you can generate account codes in SLA, you must complete the following setup

tasks:

- Set the Account Derivation Option to AMB
- Set the Secondary Representation Method to Automated Accounting
- Set Up a Reporting Product Tax Book
- Set Up a Financial Product with Reporting Products
- Set Up the Subledger Accounting Method for Primary and Secondary Ledger

For information on these set up tasks, see *Accounting Options, Oracle Lease and Finance Implementation Guide*.

Generate Account Codes in SLA Process

To generate accounting in primary and secondary ledgers in SLA, perform the following tasks:

- Author a Contract
- Generate Contract Transactions
- Run the Create Accounting concurrent program for both Primary and Secondary Ledgers
- Transfer the accounting to Oracle General Ledger and post the Journals

Manual Multi-GAAP Accounting

You can choose to perform manual Multi-GAAP accounting in a secondary ledger. With this method, you use the Multi-GAAP Adjustment Report to determine the accounting adjustments to be manually entered in the secondary ledger. This method gives you manual control over all Multi-GAAP adjustments, but is more time-consuming. Accounting in the primary ledger is generated by running the Create Accounting concurrent program.

Manual Multi-GAAP accounting gives you manual control over the secondary ledger accounting, but requires more manual intervention.

For information on manual Multi-GAAP accounting in Oracle Lease and Finance Management, see *Generate Multi-GAAP Adjustment Report*.

Secondary Representation Transaction Accounting

If an operating unit is enabled for automatic accounting, then Oracle Lease and Finance Management performs additional processing to create secondary representation transactions and accounting of the secondary representation transactions in secondary

ledger, along with processing the transactions created for the primary representation. The transaction type determines how the secondary representation transaction is processed and how the accounting amounts are derived.

The following table describes secondary representation transactions.

Secondary Representation Transaction Processing

Oracle Lease and Finance Management Transaction Types	Account Derivation Method	Secondary Representation Transaction Generated	Transaction Application	Account Codes Generated in Oracle Lease and Finance Management for Primary or Secondary Representation	Basis of Amount Determination for Secondary Representation Transaction	Sources Generated in Oracle Lease and Finance Management for Primary Representation Transaction	Sources Generated in Oracle Lease and Finance Management for Secondary Representation Transaction
Booking, Rebook, Termination, Release, Renewal, Asset Disposition, Split Asset, Evergreen, Formula based Accrual transaction	Accounting Template Set	Yes	Oracle Lease and Finance Management	Yes	Formula defined on the accounting template for reporting product	Yes	Yes

Booking, Rebook, Termination, Release, Renewal, Asset Disposition, Split Asset, Evergreen, Formula based Accrual transactions	Accounting Method Builder	Yes	Oracle Lease and Finance Management	No	Formula defined on the accounting template for reporting product	Yes	Yes
General Loss Provision, Special Loss Provision, Receipt Application, Principal Adjustment, Upfront tax, Investor	Accounting Template Set	Yes	Oracle Lease and Finance Management	Yes	Secondary transaction Amount is the same as the primary transaction amount	Yes	Yes

General Loss Provision, Special Loss Provision, Receipt Application, Principal Adjustment, Upfront tax, Investor	Accounting Method Builder	Yes	Oracle Lease and Finance Management	No	Secondary transaction Amount is the same as the primary transaction amount	Yes	Yes
Non-formula based Accrual transactions	Accounting Template Set	Yes	Oracle Lease and Finance Management	Yes	Formula defined on the accounting template for reporting product	Yes	Yes
Non-formula based Accrual transactions	Accounting Method Builder	Yes	Oracle Lease and Finance Management	No	Formula defined on the accounting template for reporting product	Yes	Yes

Billing (Receivables Invoices), disbursement, funding (payable invoices) Credit Memo, Debit Memo	Accounting Template Set	No	Oracle Receivables or Oracle Payables	Account codes are generated for primary but not generated for secondary representation	No secondary representation transaction generated	Limited sources are passed to AR/AP	No
Receivables Invoices and payable invoices	Accounting Method Builder	No	Oracle Receivables or Oracle Payables	No	No secondary representation transaction generated	Limited sources are passed to AR/AP	No
Receipts and payments	Accounting Template Set	No	Oracle Receivables or Oracle Payables	No	No secondary representation transaction generated	Only related Invoice sources are available at the time of application	No

Accounting Transactions

Accounting Transactions Overview

The accounting processes from the Period Open to Close enable accruals, loss provisions, write-downs, periodic adjustments, and journal entries specific to the asset-based finance industry. This chapter reviews Oracle Lease and Finance Management accounting transactions, transaction processes, inquiries, and summaries.

For more information on the Oracle Lease and Finance Management accounting process, see Accounting Integration, page 29-1.

Oracle Lease and Finance Management Accounting Transactions

Generate Accruals

Accruals Process Overview

The accrual process enables recognition of the periodic income and expense for a contract to satisfy accounting requirements. Oracle Lease and Finance Management has three concurrent programs to process accrual for contracts based on the Revenue Recognition Method defined on the product.

The amount of accrual is determined based on either the stream elements or the amount of the formula on the accounting template. All accrual amounts are in the contract currency.

The Generate Accruals concurrent program validates the accrual date. If the date is not in an open accounting period, the Generate Accruals program terminates with an error and displays an error message in the log file requesting that you open the period in the Accounting Periods page.

Generate Accruals Concurrent Programs

Three concurrent programs have been seeded for accrual processing for a contract. Each concurrent program selects contracts for accrual processing based on the value of the quality Revenue Recognition Method on the Financial Product. The accrual process generates accrual transactions for those stream types that are selected for accrual on the product. No other stream type is processed for accrual.

The concurrent programs to generate accruals are:

- **Generate Accruals Master – Streams** - This program processes all contracts with the Revenue Recognition Method of Streams.
- **Generate Accruals Master – Estimated & Billed** - This program processes all contracts with the Revenue Recognition Method of Estimated & Billed. The process generates two types of accrual. Estimated accrual is generated for each accounting period for an amount determined by formula on the accounting template. Estimated accrual is reversed in each subsequent month. The program also accrues the amount billed for each billing cycle using billed stream.
- **Generate Accruals Master – Actual** – This program processes all contracts with the Revenue Recognition Method of Actual. It accrues actual income for the period calculated by a formula defined on the accounting template.

Generate Batch Accruals

Use this procedure to specify an accrual batch name and accrual date

Prerequisites

Optionally, define accrual rules. This should have been completed in the implementation of Oracle Lease and Finance Management. For more information, see *Oracle Lease and Finance Management Implementation Guide*.

Optionally, define accrual reversal days. This should have been completed in the implementation of Oracle Lease and Finance Management. For more information, see *Oracle Lease and Finance Management Implementation Guide*.

The accrual stream accounting templates should have been completed in the implementation of Oracle Lease and Finance Management. For more information, see *Oracle Lease and Finance Management Implementation Guide*.

Set the accrual override for contracts that you want to fail accrual evaluation. See *Specify Accrual Override*.

Generate Batch Accruals Procedure

Navigation options are as follows:

- **Finance > Processing > Schedule > Generate Accruals Master - Actual**
- **Finance > Processing > Schedule > Generate Accruals Master - Estimated And Billed**
- **Finance > Processing > Schedule > Generate Accruals Master - Streams**

To generate batch accruals, perform the following steps:

1. In the Batch Name field, enter a name for your accrual batch.
2. In the Accrual Date field, click the Calendar icon and click a date.
3. The Accrual Date is the cut-off date for income recognition and is the date that you specify. It does not need to be the current or system date.
4. Click Submit.

Determining Accrual Accounts

Oracle Lease and Finance Management obtains the amounts used in accrual accounting from the streams or formula depending on whether the contract is a fixed or a variable rate contract. Fixed rate contracts include amounts from streams to determine an accrual amount. You set up streams at the product level. For more information on setting up streams, see *Define Streams and Pricing, Oracle Lease and Finance Management Implementation Guide*.

Variable rate contracts use a formula to determine an accrual amount. The automatic reversal of accruals in the next period happens only for variable rate contracts.

Accrual Reversal Rules

Accrual reversal rules create the following situations:

- If a contract fails the accrual evaluation, income recognized in earlier periods may be reversed. For example, income that was accounted for with the memo flag set to No becomes accounted for with the memo flag set Yes.
- If a contract that previously failed now passes accrual evaluation, the income that had been reversed, or accounting for using an accounting template where the memo flag was set to Yes, now uses the accounting template with the memo flag set to No.

Accrual Accounting

Specify Accrual Override

Use this procedure to specify that accrual rule evaluation not apply to a specific

contract. With the accrual override option, the accrual rule evaluation treats the contract as if evaluation has failed. Failure of accrual rule evaluation has the following consequences:

- Income for that contract goes to a non-income account rather than an income account.
- Oracle Lease and Finance Management reverses income that you recognized earlier for the number of days defined in setup.
- The contract uses an accrual accounting template with the Memo checkbox set to Yes

To specify an accrual override, navigate to **Finance > Accrual Override** and locate the current contract you want to override. Select the Override Accrual checkbox and click Apply.

Memo Checkbox in Accounting Templates

The Memo checkbox in accounting templates identifies the template to be used based on the accrual evaluation. If a contract fails accrual evaluation, income may be accounted for in a different account using an accounting template with the Memo checkbox set to Yes. A contract with accrual override also uses an accounting template with the Memo checkbox set to Yes.

If a contract passes accrual evaluation, income goes to an income account and uses an accounting template with the Memo checkbox set to No.

Loss Provisions

Loss Provisions Overview

Loss provisions let you create estimated or tentative loss reserves against contracts. Loss provisions make use of aging buckets that you set up in Oracle Receivables. The loss provision rates associate aging buckets with loss provision rates. All loss provision amounts are in the contract currency.

The Generate Loss Provision concurrent program validates the loss provision date. If the date is not in an open accounting period, the program terminates with an error and displays an error message in the log file requesting you to open the period in the Accounting Periods page.

General Loss Provision

Determine General Loss Provision

General loss provisions apply to all contracts for a product except for any contract that has a specific loss provision. General loss provision calculations are based on the

following:

- A provision calculation on Net Book Value (NBV), Net Investment Value (NIV), or principle balance
- Outstanding Receivables
- Rates are based on setup in Oracle Lease and Finance Management—one for each aging bucket

General loss provisions apply reversals in the next period run or upon contract termination. When you determine an actual loss, you can create an adjusting entry to record that loss.

General Loss Provision Prerequisites

Before running this concurrent program, the following tasks must be completed:

- Define the Product
- Set up stream types with the stream purpose of General Loss Provision
- Set up loss rates for Oracle Receivables aging buckets
- Set up accounting templates for streams, specifying the transaction type as General Loss Provision
- Set up aging buckets for general loss provisions

Submit General Loss Provision

To calculate and process general loss provisions, you must run the General Loss Provision concurrent program.

1. To run the General Loss Provision program, navigate to **Finance > Processing > Schedule** and select the General Loss Provision concurrent program.
2. Enter the details for your lease scenario and click Submit.

The following table describes field options for the General Loss Provisions page.

Field	Description
Product	Applies to all contracts for the product unless you applied a Specific Loss Provision.
Stream Type	Only General Loss Provision stream types are available.

Field	Description
Bucket Name	You define loss rates for aging buckets in Oracle Lease and Finance Management setup. This task should have been completed during implementation. For more information, see <i>Define Loss Provision Rules, Oracle Lease and Finance Management Implementation Guide</i> .
Provision Date	Effective date of the loss provision.

Specific Loss Provision

Specific Loss Provision Overview

Specific loss provisions are applicable to a specific contract. A specific loss provision reverses on contract termination, and it reverses previous provisions in addition to, or in place of, any earlier loss provisions.

Specific Loss Provision Prerequisites

Before you can create a loss provision, you must have completed the following tasks:

- Set up stream types with a stream purpose of Specific Loss Provision
- Set up accounting templates for the streams with a transaction type of Specific Loss Provision

Create or Update Specific Loss Provision

To create or update a loss provision, navigate to **Finance > Loss Provisions**, locate the contract, click Create or Update, and enter the loss provision details. Then click Apply.

Like-Kind Exchanges

Like-Kind Exchanges Overview

Like-kind exchanges apply to off-lease assets whose tax properties you are applying to another new on-lease asset that has the same asset category. All asset amounts are in the functional currency of the ledger.

In like-kind exchanges, one replacement asset (new asset) is matched against multiple relinquished assets (old retired asset). Assets available as replacement assets must meet the following conditions:

- The asset category of the replacement asset must be the same as the asset category

of the relinquished asset.

- Assets must have a Date Placed In Service (DPIS) date within the number of days defined in the Like Kind Match Limit Days field prior to the current date.

Like-kind exchanges are calculated by dividing the proceeds of the sale of a relinquished asset in the tax book by the match amount for the relinquished asset.

Like Kind Exchanges Setup

Before you can process like-kind exchanges, you must have completed the following setup tasks:

- Set up asset book for like-kind exchanges
- Set up asset categories and depreciation methods for the Federal tax asset book
- Specified the Like-Kind Match Limit Days

For information on these setup tasks, see *Set Up Assets For Like-Kind Exchanges, Oracle Lease and Finance Management Implementation Guide*.

Like-Kind Exchanges Setup

Before you can process like-kind exchanges, you must have completed the following:

- Created an asset return of relinquished asset
- Specified like-kind exchange
- Placed the asset into context

For more information on these tasks, see *Search for a Returned Asset Request and Create a Manual Asset*.

Like-Kind Exchanges Business Process

The following table outlines the business process for like-kind exchanges.

Step	Description
Terminate Asset	Terminate an asset in Oracle Lease and Finance Management.

Step	Description
Run Process Transaction	Run the Process Transaction in Fixed Assets concurrent program in Oracle Lease and Finance Management.
Mark Retired Asset as Eligible	Mark the retired asset as eligible for Like-Kind Exchange in Oracle Lease and Finance Management.
Retire Asset in Corporate Book	Retire the relinquished asset in the corporate book and run the Calculate Gain Or Loss concurrent program in Fixed Assets.
Retire Asset in Tax Book	Retire the relinquished asset in the tax book and run the Calculate Gain Or Loss concurrent program in Fixed Assets.

Like-Kind Exchange Procedure

To process like-kind exchanges, perform the following steps:

1. Navigate to **Assets > Transactions > Like-Kind Exchange > Create**
2. Select corporate book, tax book, asset category, and replacement asset book.
3. Select the relinquished assets for the like-kind adjustment.
4. Optionally, enter the match amount for each relinquished asset with the following restrictions:
 - For each relinquished asset, the maximum match amount cannot be more than the sale proceeds of that asset in the tax book
 - The total match amounts for all relinquished assets cannot be more than the current cost of the replacement asset
 - If the match amount is not entered, Oracle Lease and Finance Management uses the maximum allowable match amounts for each relinquished asset to do the automatch

Assets

The main topics in this section are:

- Off-Lease Asset Transactions: Review and change depreciation hold period and depreciation basis.
- Salvage Value Writedown: Review or change the salvage value of an asset in Oracle Assets.
- Residual Value Writedown: Review or change the residual value of an asset on a contract.

Off-Lease Asset Transactions

You can create off-lease asset transactions on assets:

- Whose lease contracts have ended.
- That may or may not have been returned to the possession of the lessor.

For off-lease assets, you may want to review or change the hold period and/or depreciation method. A hold period is the number of days during which you defer or suspend recognition of depreciation after the asset comes off of a lease. For more information on setting up the hold period, see the *Oracle Lease and Finance Management Implementation Guide*.

Note: All amounts associated with off-lease asset processing are in the ledger currency.

The topics in this section include:

- View Summary of Off-Lease Asset Transactions
- Update Off-Lease Asset Transaction Details

Prerequisites

Set up off-lease Assets. For more information, see the *Oracle Lease and Finance Management Implementation Guide*.

Responsibility

Lease Super User, Asset Manager

Navigation

Assets > Transactions > Off-Lease Asset Transactions

View Summary of Off-Lease Asset Transactions

When an asset comes off lease, Oracle Lease and Finance Management automatically

creates an off-lease transaction record. On the Off-Lease Asset Transactions page, you can search and view the following information about off-lease asset transactions:

- Asset Number
- Asset Depreciation
- Transaction Type
- Asset Category
- Date Created
- Transaction Date
- Hold Period Days
- Depreciation Method
- Depreciate
- Transaction Status
- Details

Update Off-Lease Asset Transaction Details

You can view or edit the hold periods days and the depreciation method of your off-lease asset.

Steps

Perform the following steps:

1. Query the off-lease asset transactions using the Off-Lease Asset Transactions page.
2. In the search results, click the asset number or the Update icon for the off-lease asset that you want to modify.

The Off-Lease Asset Transaction page opens.

3. Update any of the following fields:
 - **Transaction Date:** Change the date to extend or reduce the off-lease hold period.
 - **Depreciation Method:** Specify the depreciation that you want to use.
 - **Adjusted Cost:** The new value of off-lease asset.
 - **Salvage Value:** The new salvage value amount.

Note: The adjusted cost and salvage value are in the ledger currency.

4. Click the Update button to save changes that you made.

Changes happen whenever the concurrent program processes update the Oracle Assets module.

5. To process the updated off-lease asset transaction details in Oracle Assets, run the Process Transactions In Fixed Assets concurrent program in Oracle Lease and Finance Management. This concurrent program will automatically update Oracle Assets.

Salvage Value Writedown

Salvage value is the remaining value of an asset that you do not depreciate. During the asset's life, you can revise the salvage value using the salvage value writedown procedures. The salvage value is in the ledger currency.

The topics in this section include:

- Specify or Update Salvage Value Writedown
- View Asset Details - Salvage

Specify or Update Salvage Value Writedown

Use the following procedure to specify or change an asset's salvage value writedown. See Salvage Value Writedown.

Prerequisites

The asset must exist in Oracle Assets.

Responsibility

Lease Super User, Asset Manager

Navigation

Assets > Transactions > Salvage Value Writedown

Steps

Perform the following steps:

1. On the Salvage Value Writedown page, search for the asset by specifying one or

more search criteria by Asset Number, Asset Category, Asset Description, or Asset Corporate Book.

2. Click the Go button.

In the Results area, matches appear.

3. On the row that shows the asset for which you are looking, enter the salvage value under the New Salvage Value column.
4. Click Update to save your information.
5. To process the updated salvage value writedown in Oracle Assets, run the Process Transactions In Fixed Assets concurrent program in Oracle Lease and Finance Management. This concurrent program will automatically update Oracle Assets.

View Asset Details - Salvage

You can view the following information about the assets: Asset Number, Asset Description, Contract Number, Contract Status, Asset Status, Contract Start Date, Contract End Date, Asset Type, Original Cost, Serial Number, In Service Date, Manufacturer Name, Model Number; Depreciation: Life in Months, New/Used, Salvage Value, Depreciation Category, and Depreciation Start Date.

Note: The Asset Details page of both the Salvage Value Writedown and the Residual Value Writedown areas contain the same fields and options.

Prerequisites

None

Responsibility

Lease Super User, Asset Manager

Navigation

Assets > Transactions > Salvage Value Writedown

Steps

Perform the following steps:

1. On the Salvage Value Writedown page, search for the asset by specifying one or more search criteria by, Asset Number, Asset Category, Asset Description, or Asset Corporate Book.

2. Click the Go button.

In the Results area, matches appear.

3. On the row that shows the asset for which you are looking, click the asset number hypertext link under the Asset Number column.

The Asset page shows the asset's information. You cannot edit information on this page. You can specify or change the salvage value on another page. See Specify or Update Salvage Value Writedown or Specify or Change Residual Value Writedown.

Residual Value Writedown

Residual value is the value of an asset at the end of a lease term that you record on the lease contract. Periodically, you may need to reduce the residual value of the asset.

Note: The residual value is in the contract currency.

The topics in this section include:

- Specify or Change Residual Value Writedown
- View Asset Details - Residual

Specify or Change Residual Value Writedown

Use the following procedure to specify or change an asset's residual value writedown. See Residual Value Writedown.

Prerequisites

A booked contract with assets having residual values

Responsibility

Lease Super User, Asset Manager

Navigation

Assets > Transactions > Residual Value Writedown

Steps

Perform the following steps:

1. On the Residual Value Writedown page, search for the asset by specifying one or more search criteria for:

- Asset Number
 - Item Category: More detailed categorization that you set up in Oracle Inventory.
 - Product: As you defined in the implementation of Oracle Lease and Finance Management, such as your book classification.
 - **Asset Description**
 - **Contract Number**
2. Click the Go button.
In the Results area, matches appear.
 3. On the row that shows the asset for which you are looking, enter the Residual Value under the New Residual Value column.

Note: The residual value is in the contract currency.
 4. Click Update to save your information.
 5. To process the updated residual value writedown in Oracle Assets, run the Process Residual Value Writedown Transaction concurrent program in Oracle Lease and Finance Management. This concurrent program will automatically update Oracle Assets.

View Asset Details - Residual

You can view the following information about the assets: Asset Number, Asset Description, Contract Number, Contract Status, Asset Status, Contract Start Date, Contract End Date, Asset Type, Original Cost, Serial Number, In Service Date, Manufacturer Name, Model Number; Depreciation: Life in Months, New/Used, Salvage Value, Depreciation Category, and Depreciation Start Date.

Prerequisites

None

Responsibility

Lease Super User, Asset Manager

Navigation

Assets > Transactions > Residual Value Writedown

Steps

Perform the following steps:

1. On the Residual Value Writedown page, search for the asset by specifying one or more search criteria: Asset Number, Item Category, Product, Asset Description, or Contract Number.
2. Click the Go button.

In the Results area, matches for the search appear.

3. On the row that shows the asset for which you are looking, click the asset number hypertext link under the Asset Number column.

The Asset page shows the asset's information. You cannot edit information on this page, but you can specify or change the Residual value in another area. See Specify or Change Residual Value Writedown.

Miscellaneous Transactions

You can create manual journals for miscellaneous transactions for a contract in Oracle Subledger Accounting. You can also associate a contract number as a supporting reference to the journal lines if the supporting reference has been setup. For information on creating manual journal and using supporting references, see the Oracle Subledger Accounting Implementation Guide.

Oracle Lease and Finance Management Accounting Processes

Transaction Accounting

This section contains the following topics on creating accounting entries for transactions accounted in Oracle Lease and Finance Management:

- Create Subledger Journals
- Accrual Reversal

Create Subledger Journals

Several processes in Oracle Lease and Finance Management, like Booking, Rebook, Termination, and Accrual create transactions in Oracle Lease and Finance Management. These transactions are accounted in Oracle Subledger through the Create Accounting concurrent program, which processes the accounting events for the transaction.

You can choose to create and post General Ledger journals in addition to creating subledger journals by selecting the required parameters on the Create Accounting

program in Oracle Lease and Finance Management.

Navigate to **Finance > Processing > Schedule** to execute the Create Accounting concurrent program. The following table describes the additional parameters that allow you to customize the processing of the subledger journal or determine the output.

Create Accounting Parameters

Parameter	Description
Representation Code	Specify the valuation method for which the transactions should be processed.
Process Category	Specify the Process Category that should be processed.
End Date	Specify the date up to which transactions should be processed.
Mode	Specify if the accounting process should create Draft or Final subledger journals.
Errors Only	Specify if Output Report should be created in Detail or Summary, or should not be created.
Transfer to General Ledger	Specify if the subledger journal should be transferred to Oracle General Ledger and create General Ledger journals.
Post in General Ledger	Specify if the General Ledger journal should be posted.
General Ledger Batch Name	Specify the batch name for the General Ledger journals.
Include User Transaction Identifiers	Specify if the User Transaction Identifiers should be included in the output report.

If the Oracle Lease and Finance Management Create Accounting program fails to create subledger journals for any accounting event, that accounting event is assigned a status of Error. You can query the accounting events with an Error status in the Accounting Event inquiry screen to review the error message and make corrections.

For more information about the Create Accounting concurrent program, see Create Accounting, *Oracle Subledger Accounting Implementation Guide*.

Accrual Reversal

Reversal of estimated accrual for a contract with the Revenue Recognition Method of Estimated and Billed is automated using the accrual reversal functionality in Oracle Subledger Accounting. Oracle Lease and Finance Management flags the estimated accrual transactions for reversal and assigns the first date of the next accounting period as the Accrual Reversal Date.

When the Oracle Lease and Finance Management Create Accounting concurrent program processes the estimated accrual transaction with an Accrual Reversal date, the program also generates a reversal accrual entry with the Accrual Reversal Date.

For information on accrual reversal, see *Oracle Subledger Accounting Implementation Guide*.

Transfer to General Ledger

Oracle Lease and Finance Management has the following two methods to transfer subledger journal entries to Oracle General Ledger:

- Create Accounting
- Transfer Journal Entries to General Ledger

Create Accounting

You can transfer Oracle Lease and Finance Management subledger journal entries to General Ledger by running the Create Accounting concurrent program. To complete the transfer to GL, set the following program parameters when running Create Accounting:

- Mode = Final
- Transfer to General Ledger = Yes

This program creates and validates subledger journal entries and transfers the final journal entries to General Ledger.

Transfer Journal Entries to General Ledger

You can also transfer Oracle Lease and Finance Management accounting entries to General Ledger by running the Transfer Journal Entries to GL concurrent program. This program transfers all journal entries that have been completed either manually or with a prior run of the Create Accounting program with the Transfer to General Ledger option set to No.

Generate Multi-GAAP Adjustment Report

Overview of Multi-GAAP Adjustment Report

The Multi-GAAP Adjustment Report is generated by a concurrent program. The report provides users with information necessary to pass the month end adjustment accounting entries manually, to assist in multi-GAAP reporting.

All active contracts, whose local product is associated with a reporting product, are eligible for multi-GAAP reporting. Loan and loan-revolving contracts backed by a real estate line instead of an asset line are not eligible for multi-GAAP reporting.

The output report will display the following sets of information:

- contract information, to serve as an audit trail
- summary information, to direct manual adjustments in Oracle General Ledger

For each multi-GAAP-enabled contract, the contract information is as follows:

- revenue that needs to be reversed
- depreciation that needs to be reversed
- revenue to be accounted
- depreciation to be accounted

The summary information shows the data adjustments that you must make manually in Oracle General Ledger. The summary information is as follows:

- summary of accrual/non-accrual to be reversed by product
- summary of accrual/non-accrual to be accounted by product
- summary of local depreciation to be reversed by asset category
- summary of reporting depreciation to be accounted by asset category

Additional Information: Accrual and revenue amounts appear in the contract currency. Depreciation amounts appear in the ledger currency.

Multi-GAAP Adjustment Report Prerequisites

Before generating the Multi-GAAP Adjustment Report, you must have completed the following tasks:

- You must have created and booked contracts, whose local product is associated

with a reporting product.

- You must have a reporting asset book set up in Oracle Assets.
- You must have run the Depreciation program in Oracle Assets for the reporting asset book.
- You must have run the Generate Accrual program for the local ledger in Oracle Lease and Finance Management.
- An optional prerequisite is to run the Depreciation Adjustment for Accrual program in Oracle Lease and Finance Management, and then to adjust local depreciation manually in Oracle General Ledger accordingly.

Generate Multi-GAAP Adjustment Report Procedure

To generate a Multi-GAAP Adjustment Report, perform the following steps:

1. Navigate to **Finance > Processing > Programs > Multi-GAAP Adjustment Report**
2. In the Batch Name field, specify a name that will appear in the report header.
3. In the Period from field, specify the start date of the adjustment period.
4. In the Period to field, specify the end date of the adjustment period.
5. Click Submit.

Accounting Inquiry

Drill Down from Transactions to Subledger Journal

You can query transactions in Oracle Lease and Finance Management and review the accounting for any transaction.

You can find accounting transactions by performing a list search in the **Accounting Transactions** tab of the **Finance** page. List search is a search tool that helps retrieve information quickly and easily.

Perform the following steps:

1. Click **Show Filters**.

Note: You can hide filters by clicking **Hide Filters**.

2. Select the objects using the following filters:

- Operating Unit (mandatory field)
- Contract Number (mandatory field)
- Representation Name (mandatory field)
- Transaction Date: This field uses a range of dates.
- Transaction Type
- Source
- Currency

You can also include **Amount** as an additional filter to the search criteria by clicking **Add**.

Note: You can remove the additional filters from the search criteria by clicking the remove filter icon next to each added criteria.

3. Click **Go**.

The search results are displayed.

You can save searches by performing the following steps:

1. After selecting filters, click **Save**.
2. Perform the following actions in the **Create Saved Search** region:
 1. Enter a name for the saved search in the **Name** field.
 2. Select the **Display in Tile** checkbox to display a tile having this search's details in the **Accounting Transactions** tab.

Additional Information: Tiles display the count of search records for the defined search filters. This count can be refreshed by clicking the refresh icon present on each tile. Clicking on a tile will show the filters selected for this saved search.

3. Select the **Set as Default** checkbox to make a saved search as the default search.
4. Click **OK**.

Even if a saved search is not saved as a tile, it will be displayed in the drop down beside **Show Filters/Hide Filters**. You can manage saved searches by clicking **Manage Saved**

Search in this drop down.

Note: You can disable list search using the **Disable List Search** button in **Table Diagnostics**. After disabling list search, you can find accounting transactions by performing either a simple or advanced search.

A simple search on the **Accounting Transactions** tab includes the following parameters:

- Operating Unit (mandatory field)
- Contract Number (mandatory field)
- Representation Name (mandatory field)
- Representation Type
- Ledger Name
- Transaction Date From
- Transaction Date To
- Transaction Type
- Source
- Currency

An advanced search allows you to expand or refine their search criteria.

When the search is completed, all found transactions are listed in the Transaction Number column.

View Accounting Events

To view accounting events for a transaction, complete the following steps.

1. Navigate to **Finance > Accounting Transactions** and search for the contract transaction. Click on the transaction and review the transaction lines. You can review transaction details like transaction type, stream type, transaction status, transaction and line amounts, and transaction date.
2. Select the transaction and click View Accounting Event to review the details such as ledger, event class, event type, event status, and user transaction identifiers.
3. Select an accounting event and click View Journal Entries to review account codes, entered and accounted amounts, entered currency, and supporting references.

Drill Down from General Ledger and Subledger Journal to Transactions

Oracle Lease and Finance Management creates transactions and subledger journals are created in Oracle Subledger Accounting which are then transferred to Oracle General Ledger. Drilling back to the source transactions for all journals posted in Oracle General Ledger provides the accountant an audit and review trail from the accounting back to the transaction.

There following two methods of drilling down are available:

- General Ledger Drill Down – GL to SLA
- Subledger Accounting Drill Down – SLA to transactions

General Ledger Drill Down

From a General Ledger journal, you can view subledger journal entry lines associated with that journal. To view the subledger journal entries from a General Ledger journals page, select the Drilldown option from the Tools menu to navigate to the Subledger Journal Entries page. This page displays all the subledger journal entry lines associated with the journal.

Important: To enable this drill down, you must ensure that the Import Journal References option is selected for the journal source in the General Ledger Journal Sources.

Subledger Accounting Drill Down

You can drill down to transactions in Oracle Lease and Finance Management from the Accounting Events or Subledger Journal Entry Lines.

For information on subledger accounting drill down, please refer to the Inquiries chapter in the *Oracle Subledger Accounting Implementation Guide*.

Summary of Period Close Process

To close an accounting period in Oracle Lease and Finance Management, perform the following tasks in sequence:

1. Disburse funds that should be accounted in the current accounting period. This is part of the Credit Application to Booking key business flow.
 - Review all funding requests that have not been approved.
 - Modify the funding requests to meet the approval requirements.
 - Resubmit the funding requests for approval.

2. Book all contracts that should be accounted in the current accounting period. This is part of the Credit Application to Booking key business flow.
 - Review the contracts that have failed the QA check.
 - Update the information that has resulted in the QA failure.
 - Resubmit the contract for QA check.
 - Review the contracts that have not received streams from your lease price modeling software.
 - Modify the information to correct the errors.
 - Resubmit the call to lease price modeling software for generating streams.
 - Review the list of contracts that have not been approved.
 - Modify the contracts to meet the approval requirements.
 - Resubmit the contracts for approval.
3. Re-book all contracts that should be accounted in the current accounting period. This is part of the Credit Application to Booking key business flow.
 - Review all contracts that are under revision.
 - Review all contracts that are under release or restructure.
 - Submit the revisions approved for rebooking.
4. Carry out asset adjustments. Three key business flows are part of this area: Quote to Termination, Asset Return and Disposal, and Accounting Period to Close.
 - Enter asset returns for assets on lease.
 - Enter asset returns for assets on loan; manually update Oracle Lease and Finance Management and Oracle Assets.
 - Update location changes.
 - Update off-lease amortization changes.
 - Update changes in book or tax depreciation.
 - Effect salvage value write-downs.
 - Effect residual value write-downs.

5. Terminate contracts. This is part of the Quote to Termination key business flow.
 - Review pending termination quotes.
 - Complete the acceptance for termination to be accounted in the current accounting period.
 - Run the automatic termination process.
6. Condition assets. This is part of the Asset Return to Disposal key business flow.
 - Review asset condition invoices to be raised on customers or vendors.
 - Generate invoices against customers and vendors.
7. Remarket assets. This is part of the Asset Return to Disposal key business flow.
 - Complete repurchase of assets by vendor.
 - Do asset billing for sales done through iStore.
 - Close period in Oracle Inventory.
 - Payment of remarketing commissions.
8. Maintain insurance policies. This is part of the Inquiry to Resolution key business flow.
 - Pay service providers for insurance.
 - Bill customers for insurance.
 - Accrue the insurance for income and expense.
 - Run automatic insurance process.
9. Perform pre-billing activities. This is part of the Invoice to Receipt key business flow.
 - Run the pre-funding interest calculation program.
 - Update counter reading for UBB.
 - Run the Oracle Contracts for Service billing for UBB.
 - Run the variable interest rate program.
 - Run the evergreen billing program.

- Run the late charge program.
 - Run the third-party billing import.
10. Generate periodic billing for the open accounting period. This is part of the Invoice to Receipt key business flow.
- Review exceptions and errors.
 - Resolve the exceptions and errors.
 - Re-run the periodic billing process.
 - Transfer the invoices into Oracle Receivables.
11. Enter receipts from customers. This is part of the Invoice to Receipt key business flow.
- Enter the receipts individually or in batches.
 - Run the batch receipts interface to Oracle Receivables.
 - Run the lockbox interface to Oracle Receivables.
 - Manually apply the receipts that the cash application rules do not process.
12. Update syndicated contracts. This is part of the Credit Application to Booking key business flow.
- Record investments against syndication contracts.
 - Invoice for payment of investors' share of syndicated contracts.
13. Create manual journal entries in Oracle Subledger Accounting for adjustments at a contract level. This is part of the Period Open to Close key business flow.
14. Transfer miscellaneous disbursements and debit memos to Oracle Payables. This is part of the Oracle Payables module. These miscellaneous disbursements and debit memos include:
- Passthroughs
 - Vendor cure
 - Ad hoc expenses
 - Security deposit refund

- UCC (Uniform Commercial Code) and registration expenses.
15. Transfer miscellaneous billing and credit memos to Oracle Receivables. This is part of the Oracle Receivables module. These billings and credit memos include:
 - Vendor cure
 - Ad hoc fees
 - Investor stake
 - UCC (Uniform Commercial Code) and registration fees
 16. Write-Off Receivables. This is part of Oracle Receivables.
 - Effect write-offs from Oracle Collections.
 - Effect write-offs from Oracle Receivables.
 17. Run the accrual and income generation program for the accounting period. This is part of the Period Open to Close key business flow.
 18. Run the depreciation adjustment for accrual program for the accounting period, and pass manual journal entries if required. This is part of the Period Open to Close key business flow.
 19. Create loss provisions for the accounting period. This is part of the Period Open to Close key business flow.
 20. Run the loss provision program for the accounting period. This is part of the Period Open to Close key business flow.
 21. Close Payables (recommended but optional). This is part of the Oracle Payables.
 - Transfer all approved funding requests to Oracle Payables.
 - Approve the invoices in Oracle Payables.
 - Issue payments from Oracle Payables.
 - Transfer subledger journal entries from Oracle Payables to Oracle General Ledger.
 - Close the accounting period in Oracle Payables
 22. Close Receivables (recommended but optional). This is part of Oracle Receivables.
 - Transfer all customer invoices to Oracle Receivables.

- Transfer subledger journal entries from Oracle Receivables to Oracle General Ledger.
 - Close the accounting period in Oracle Receivables.
23. Close Fixed Assets (recommended but optional). This is part of Oracle Fixed Assets.
- Run the final depreciation and close the depreciation period.
 - Calculate gain or loss on sale for any disposed assets.
 - Do tax-related adjustments.
24. Create Accounting. This is part of the Period Open to Close key business flow.
- Run the Create Accounting – Oracle Lease and Finance Management concurrent program to create subledger journals.
 - Review errors and resolve.
 - Transfer subledger journal entries from Oracle Subledger Accounting into Oracle General Ledger.
 - Post the GL entries from Oracle Lease and Finance Management, Oracle Payables, Oracle Receivables, and Oracle Assets.
25. Transfer accounting from Oracle Lease and Finance Management to Oracle General Ledger (recommended but optional). This is part of the Period Open to Close key business flow.
- Transfer accounting entries from Oracle Lease and Finance Management into Oracle General Ledger.
 - Review errors and resolve.
 - Transfer from Oracle General Ledger interface to journal tables.
 - Post the accounting entries from Oracle Lease and Finance Management, Oracle Payables, Oracle Receivables, and Oracle Assets.
26. Close accounting period in Oracle Lease and Finance Management. This is part of the Period Open to Close key business flow.

You can schedule the concurrent programs to run at a specified time periodically, or you run them by manual intervention.

Reconciliation Report

In Oracle Lease and Finance Management and Finance, you can have reconciliation reports for Balance and Activity.

Reconciliation Report for Balance

The reconciliation process for balance identifies whether the accounting balance in General Ledger matches the related stream element for contracts in Oracle Lease and Finance Management for a specified period.

You can run reconciliation reports for the following balance sheet accounts and related streams.

Unbilled Receivables

The reconciliation between the sum of unbilled stream elements for a contract and the balance in the Unbilled Receivables account in GL for a specified period.

Unearned Income

The reconciliation between the sum of unearned income stream elements for a contract and the balance in the unearned income account in GL for a specified period.

Residual Value

The reconciliation between the residual value stream elements for a contract and the balance in the residual value account in GL for a specified period.

If the GL balance does not match the related stream elements for contracts, then the reconciliation report provides break up of the differences with the reason. For each reason, it provides drill down to related transactions. The reconciliation report also provide suggestions for corrective action to reconcile the balances based on the difference.

Reconciliation Report for Activity

The reconciliation process for activity identifies whether the accounting activity in General Ledger matches the related stream element and transacted activity for contracts in Oracle Lease and Finance Management for a specified period. Oracle Lease and Finance Management only supports accrual activity.

Note: The deviations between stream balance or activity, transaction balance or activity, and GL balance or activity are captured in separate categories.

Prerequisites

Set up Reconciliation Templates.

See: Set Up Reconciliation Report Templates, *Oracle Leasing and Finance Management Implementation Guide*.

Responsibility

Lease Administrator

Steps

To create a reconciliation report, perform the following:

1. Navigate to the Submit Request page.
2. Select Generate Reconciliation Report.
3. Select a template type.
4. Select a template name in the Report Definition Name field.
5. Select a ledger name.
6. Select a period range for which you want to generate the reconciliation report.
7. Set the drill down level for the report output by selecting Yes or No.

Note: Select Yes in Display Drilldown 2 to see transaction level details.

See: Using Standard Request Submission, *Oracle Applications User Guide*

Contract Trial Balance

Oracle Subledger Accounting provides the Supporting Reference Balance feature to store and report account balances on one or more transaction parameter such as Contract Number, Financial Product, and Customer. You can use this feature to report balance on a combination of parameters to maintain and view account balances.

Prerequisites

See: Set Up Subledger Accounting in Oracle Lease and Finance Management, *Oracle Leasing and Finance Management Implementation Guide*.

Run Create Accounting.

Responsibility

Lease Super User

Steps

To view the Contract Trial Balance at the contract level, perform the following:

- Navigate to the Contract Trial Balance page.
- Select an operating Unit and a contract number.
- Select the representation name.
- Select the period name.
- Drilldown: You can drill down to journal entries or a contract in a specific account during a period by clicking period activity. You can drill down to transactions that can be from any application such as Oracle Payables, Oracle Receivables, and Oracle Assets.

Drilldown for Fixed Assets transactions: To drilldown to Fixed Assets transactions such as additions and depreciations, you must run the Capture Lease Depreciation Sources - Master concurrent request using the Lease Administrator responsibility.

Note: Run the Lease Depreciation Sources - Master concurrent request before you run create accounting in Fixed Assets.

Note: The account balance report is Multi-GAAP compliant and you can use the report to study the secondary representation.

Account Balance

The Account Balances report display transactions for the specified natural accounts. This report extracts data for the specified accounts for a specified period across contracts or a contract using the supporting references for transactions. The report has the following two levels of drilldown:

- First level: shows transactions for all code combination for a natural account
- Second level: shows transaction level information.

You can use this report to reconcile the activity for the specified natural accounts with the posting done in GL and balances in subledgers. The report also shows the extent of

transactions not posted to GL, you can use this to complete the posting. Since the report is based on supporting references, you can do a variety of analysis, for example, instead of contract number, you can use asset number as a supporting reference and query data pertaining to some natural account for a particular asset number and analyze.

Note: The account balance report is Multi-GAAP compliant and you can use the report to study the secondary representation.

Prerequisites

Run Create Accounting.

Responsibility

Lease Super User

Steps

To generate an account balance report, perform the following:

1. Navigate to the Account Balance page.
2. Select a ledger and a supporting reference.
3. Optionally, specify a value for the source to filter the report on that source. Some examples of sources are contract numbers, stream type names, and transaction date.
4. Select an account range.
5. Select the view balance date.
6. Select a starting period for the activity.
7. Enter the period ending balance range and click Go.
8. Click account links to see the details.
9. Click View Transaction to see the transaction details.

Part 10

Inquiry to Resolution

The Lease Center

This chapter covers the following topics:

- Overview
- The Lease Center Window
- About the Account Tab
- About the Transactions Tab
- About the Asset Tab
- About the Insurance Tab
- About the Requests Tab
- About the Documents Tab
- About the Tasks Tab
- About the Schedules Tab
- About the Vendor Investor Disbursement Window
- About the Related Contracts Tab
- About the User-Defined Attributes Tab

Overview

Lease Center agents and their managers can use the Lease Center of Oracle Lease and Finance Management to resolve common leasing service requests. These service requests may include:

- Requests for information specific to leasing. For example, your customers may inquire about the terms and conditions on their contract or they may have a question about their bill. Suppliers and vendors may also call with questions regarding disbursements.

- Requests for updates or changes to their lease contracts. For example, a customer may request an equipment exchange or a restructure of the contract.
- Requests for updates to their account information. For example, customers may request an update to their address information.

Lease Center Business Process

The following steps describe a typical business flow using the Call Center, the E-Business Center, and the Lease Center.

1. An external party, such as a customer or a vendor, calls through the Call Center.
2. A user logged into the Universal Work Queue receives a pop-up message for an incoming call and answers the call.
3. If the customer is identified, upon intake of the call, the user is launched into the E-Business Center with the customer information available for review and can drill down into a specific contract from the Contracts tab.
4. After you have identified the contract, you can use the navigator to assess the Lease Center and review contract details.
5. You can then process inquiries and requests in the Lease Center.
6. Alternatively to step 4, if the call pertains to Vendor/Investor disbursements, you can launch this function from the Navigator and process the request.

Responsibilities

The Inquiry to Resolution business process uses the following responsibilities. Not all functions are performed in the Lease Center and some require responsibilities from other products in the E-Business Suite.

Lease Center Agent

The agent receives inquiries from customers, vendors, and other parties. Types of functions available to the Lease Center Agent include:

- Lease Center inquiries focused on assets, invoices, payments, terms and conditions, plus others.
- Vendor and investor disbursements.
- E-Business Center issues, including customer updates, restructure quotes, termination quotes, renewal requests, transfer and assumption requests, and equipment exchange requests.

- Document transmissions specific to leasing; for example, amortization schedules, VAT schedules and correspondences.
- Insurance functions such as quotes, policy information, and claims.
- Directory assistance.

Navigate the Universal Work Queue, E-Business Center, and Lease Center

When you are logged in as a Lease Center agent or manager, the Navigator offers the following choices:

- **Universal Work Queue:** The Universal Work Queue window displays your assigned work items. Use the Universal Work Queue to accept and process inbound calls from customers and other parties. See the *Oracle Universal Work Queue Concepts and Procedures* guide.
- **Lease Center:** The Lease Center window lets you select and view lease and loan contracts and process customer requests.
- **Vendor Investor Disbursements:** The Vendor Search window lets you search for a specific vendor or syndication partner and view disbursements to these parties.
- **E-Business Center:** The E-Business Center lets you use lookups or the list of values to find a customer. You can use the E-Business Center to update and add customer information. The Contracts tab displays information about contracts for the selected customer. Select the Lease Contracts category, select a contract, and then click the Details button to open the Lease Center for the contract. The E-Business Center remains open.
- **Collections Center:** If authorized, the Lease Center agent can view collections information for the customer. The Collections window appears and contains no customer data. You can search to find a customer. See the *Oracle Collections Concepts and Procedures* guide.
- **Lease Center Search:** You can search for specific contracts using either a quick search or advanced search. See Lease Center Search.
- **Directory Assistance:** Enter customer search criteria to obtain the phone number from a directory assistance Web site.
- **Requests:** You can start a concurrent request process, view the status of an executing concurrent request, or define a request set.

Contracts Tab in the E-Business Suite

You can access contracts for a customer in the E-Business Center by clicking the

Contracts tab. This tab displays the contract number, the status of the contract, as well as the start and end date for a specific class of contracts.

To view lease contracts for the customer, select Lease Contracts from the Category list. All lease contracts for the customer appear in the grid. You can select a contract from the list and click the Details button to access the Lease Center, at which point additional details for the contract are available. The E-Business Center window remains open. See An Overview of the Lease Center Window.

Starting and Ending Customer Transactions

When working with customers, you may want to record the nature and outcome of various interactions. Depending on your implementation of the Oracle Interaction History application, some interactions, such as a call to a customer, may start an interaction automatically. You can also start an interaction by choosing Start Interaction from the Tools menu in the E-Business Suite.

You can end the interaction by choosing End Interaction from the Tools menu, or you can wait for the application to prompt you to end the interaction automatically. This happens whenever you switch parties (change customers) and update the new record.

If you choose to start and end an interaction manually, use the Start Interaction and End Interaction buttons on the toolbar. These are the two buttons with a stop light icon: a green stop light for starting and red for ending the interaction.

You can tell when an interaction is being recorded by examining the start and end interaction buttons in the toolbar. If the Start Interaction button is disabled and the End Interaction button is enabled, this means that your interaction is being recorded.

When you end an interaction, you are asked to enter information about the outcome of the interaction in the Interaction Wrap Up window. The results are displayed in Interaction History in the Overview tab.

The list of interactions you can obtain on the Overview tab of the E-Business Center gives you an audit trail of all of the interactions with customers in any E-Business Suite application. For example, if someone else in your sales organization makes a change to an opportunity that you are working on, you can see record of the change.

You can view the record of in any interaction by double clicking on the interaction entry. This displays the record in the E-Business Suite application where it was created. For example, double clicking on a record of an interaction on a lead, displays the lead in the Lead Center. Double clicking on a record of a service request, displays the service request in Oracle Customer Care. You must have the correct responsibility, however, for viewing such records in the other E-Business Center applications.

Note: Merely switching parties does not automatically prompt you to end an interaction with the previous party. You must update the new record first. This allows you to view information from other parties without having to restart the interaction.

Attachments

You can attach documents in multiple formats associated with a contract, sales quote, or lease application. You can also add, delete, or update any files you attach to a contract, sales quote, or lease application. Attachments types include files, URLs, or text. Authorized users will have easy access to any attached files.

After selecting a contract, sales quote, or lease application, you can attach documents by clicking Paperclip icon and following the prompts.

The Lease Center Window

The Lease Center Window Overview

The Lease Center window is your central work area for activities relating to the Inquiry to Resolution process for Oracle Lease and Finance Management. See the following sections for information about the areas in the Lease Center window that you can use to process your customer interactions:

- About the Overview Tab, page 31-8
- About the Structure Tab, page 31-12
- About the Parties Tab, page 31-19
- About the Account Tab, page 31-20
- About the Transactions Tab, page 31-26
- About the Asset Tab, page 31-28
- About the Insurance Tab, page 31-35
- About the Requests Tab, page 31-47
- About the Documents Tab, page 31-57
- About the Tasks Tab, page 31-58
- About the Schedules Tab, page 31-59
- About the Vendor Investor Disbursement Window, page 31-62
- About the Related Contracts Tab, page 31-63

Using the Lease Center Window

The Lease Center window is divided into sections: The top half of the window contains an overview of the selected customer and contract information. The bottom half is a series of tabs that open windows with additional details.

The Lease Center window header provides summary contract and customer account information. Customer information includes, for example, organization, alternate name, address, phone number, and email address. Search for a specific contract by using the Lease Center Search window or by clicking the Find button. Overview information, along with contract details, appears.

Lease contract information includes the following information:

- The contract number that is currently being viewed or referenced for a customer service request.
- The current version number of the contract. For more information on how to see details of previous versions of the contract, see "View Contract Versions".
- The current status of the contract.
- If there is a syndication agreement associated to the contract.
- The start and end dates of the contract.
- The description of the contract.
- Any vendor program associated to the contract.
- The currency for the contract.
- The financial product associated with the contract.
- If the lessor or lender is not the organization name designated on the contract as the lessor, the Private Label field displays the organization name with which users must identify themselves with the customer.
- The alternate name of the customer
- From which contract the current contract was split, if applicable.
- The purchase order number associated with the contract.

If the value of the profile option OKL: Update Misc Non Financial Information is set to 'YES', you may update the Description and Purchase Order Number fields in the Contract area.

View Contract Versions

In the Lease Center Window, double-click the Version Number to display a summary of the major versions of the contract in the Contract Versions window.

The Contract Versions window displays the following fields for each version:

- Major Version
- Version Date
- Version Reason

A major version occurs when a contract is rebooked, either explicitly by the user, or when Oracle Lease and Finance Management carries out contract rebooking as part of another operation, such as the splitting of a contract.

Double-click a major version in the Contract Versions window to display the following information in the Oracle Lease and Finance Management Contract Version window:

Contract Header

The following contract header information appears:

- Contract Number
- Contract Version
- Contract Status
- Contract Product
- Contract Currency
- Private Label
- Start and End Dates
- Description
- Vendor Program
- Transfer From
- Pool Assigned

Note: If the contract has revenue streams assigned to a pool, the Pool Assigned field is double click enabled. To view investor details if the pool is associated with an investor agreement, double

click the Pool Assigned field.

- Purchase Order Number
- Accrual Status
- Billing Hold
- Descriptive Flexfield
- The Alternate Name of customer

Additional Contract Data

You can select the descriptive flexfield to view or update additional contract fields, provided the correct profile option values have been set. The descriptive flexfield can be used to view or update additional contract data for the contract header, contract lines, and contract parties. To edit additional contract data descriptive flexfields, the OKL: Update Descriptive Flexfields profile option must be set to Yes.

Contract Lines

For each asset on the contract:

- Asset number, status, and description
- Quantity
- Original equipment cost
- Guaranteed amount
- Capital amount
- Residual value and residual percentage
- Additional data

About the Overview Tab

The Overview tab presents a high-level snapshot of additional contract information plus customer interaction history. Additionally, you can add notes within this tab. See:

- Review Contract Details
- Add Notes

- View Customer or Contract Interaction History

Review Contract Details

In order to have successful interactions with customers, it is important to have information about their contracts immediately available. Using the Overview tab, you can view the following information in the Contract Details area of the screen:

- The value of Net Investment as calculated by formula for the contract.
- The next payment due date and amount for the customer for this contract.
- The last payment date and amount from the customer for this contract.
- The term of the contract.
- The interest rate type if one is associated with the contract.
- The total asset cost for the contract, which is the sum of the Original Equipment cost of all assets on the contract.
- Advance rent amount, which is the amount of rents received in advance of the start of the lease.
- Total outstanding receivables due against this contract.
- Any security deposit amount for the contract.

Add Notes and Attachments

Recording notes and attachments on a contract, or any contract and asset supporting documents, allows customer service agents, collectors, contract administrators and others working with customers to record additional information that makes it easier to provide a quality experience. Use the web-service based infrastructure to configure and enable notes and attachments to be recorded for common, existing business objects in Oracle Lease and Finance Management.

If enabled, notes may include a short text note, a file attachment and a reminder setting. Configure the ability on your custom page to create, update and search for a note on the following common business objects:

- Contract Header
- Party
- Terms and Conditions Group
- Asset

- Asset Return
- Fees
- Service
- Payment
- Credit Line
- Investor Agreement

Within the Overview tab, you can use the Notes feature to record customer and contract information. When you create a note, the application automatically saves information on the note's creator, the date and time the note was created, and the context in which it was entered. Notes are only viewable and editable by the owner, unless a note is related to other objects, thereby making the note available to others. You can also display other notes for a particular customer.

Create a Quick Note

You may want to create a quick note concerning a customer or contract issue. The note picks up the default profile values associated with the note type and status for this contract.

Steps

Perform the following steps:

1. Click the Quick Note button.
2. Type your note in the Notes box.
3. Click the Save Note button.

View All Notes for the Lease Contract

It may be necessary for you to look at all of the notes generated for a particular customer. The Notes window includes a summary section and a detail section where the details of the note can be viewed or updated by the note owner. To do so, follow the steps below:

Steps

Perform the following steps:

1. Click the All Notes button.

The Notes for Oracle Lease and Finance Management form appears.

2. To search for existing notes within a specific time frame, choose the dates for the View From and View To fields.

3. Click the Display button to view all notes created for the customer during the specified time frame.
4. Choose a note from the list you want to view.
The details appear in the Note Details section.
5. If the note extends beyond the text box, click the More button to see the complete text for a note.
6. Click the Related To button to see which elements relate to the note.
7. Click OK to save any changes or click Cancel to return to the Overview tab.

Create a New Note

On the Notes for Oracle Lease and Finance Management form, you can also create a new note.

Steps

Perform the following steps:

1. Click the New button.
2. Type your note in the box.
3. Choose a Note Type from the list.
4. Change the Status if required.
5. If you want to relate the note to an object, click the Related To button.
6. Select a Note Type from the list, for example, Expired Reviewed or Routine Information.
7. Click OK to save the note.

View Customer or Contract Interaction History

Through the Lease Center, you have the ability to find and view historical information on customers' interactions. By default, the last three transactions for the contract appear in the Interaction History area. You can view previous interactions, any specific activities generated through the interaction, and information about the outcome of the interaction for a specific lease contract.

Click the All Customer Interactions button to view all or some of the interactions related to a customer.

Click the All Contract Interactions to view all or some of the interactions related to a contract.

Advanced Collections Notes

You can view notes entered in the Lease Center in Oracle Advanced Collections, and users involved in collections activity can view Lease Center notes when viewing other collections notes in Oracle Advanced Collections to ensure they have complete information when dealing with collections actions and servicing customers.

When a note is created in Lease Center, information in the Relate To Window is populated with the Contract Number. Advanced Collections provides views based on other Relate To Window parameters, such as Customer. If the note is not related to the correct parameter, it will not be displayed in Advanced Collections.

To ensure that the note will be displayed in Advance Collections, add the Customer reference in the Relate To Window.

For more information on Advanced Collections Notes, refer to the *Oracle Advanced Collections User Guide*.

About the Structure Tab

The Structure tab allows you to view the terms and conditions for a specific contract. The terms and conditions are typically established during the authoring of the contract. They are grouped as follows in the Lease Center:

- View Billing Set Up
- Interest Rate
- Termination/Renewal
- Asset Return/Repurchase Process

View Billing Set Up

By default, the Billing Set Up information appears on the form. You can use this tab to review the billing and payment-related terms and conditions for the selected contract. You can also check if late charges or late interest charges apply, or if the contract is evergreen eligible.

If the value of the profile option OKL: Update Billing Structure is set to 'YES', you may update some of the fields in the Billing Set Up window.

If the value of the profile option OKL: Update Late Charge Rules is set to 'YES', you may update some of the fields in the Late Charges and Interest area of the Billing Set Up window.

On the View Billing Set Up tab, you perform tasks in the following areas:

- Set Up Billing

- Late Charges and Interest
- Security Deposit
- Evergreen Status

Set Up Billing

The following list shows the tasks you can perform in the Billing Set Up area:

Note: To be able to change the value of a field, you must have the profile option OKL: Update Billing Structure set to 'YES'.

- View and update the Bill To Address site where you are sending invoices.

Note: The Bill To Address is a key field in determining the Oracle Collections case, which defines the steps an agent must take to resolve the delinquency. If you update the Bill To Address for a booked contract that is in collections, the contract will be reassigned a different case number.

- View the customer's bank name if needed for the payment method.
- View and update the customer's bank account number if needed for the payment method
- View and update the receipt method that the customer uses to make payments.
- View and update the cash application rules for the contract.
- Verify and update if you want to pull the customer's invoices for a manual review.
- View and update the date that the manual invoice review ends.
- View and update the reason for a manual invoice review.
- View and select an alternative invoice format group.

Late Charges and Interest

The following list shows the tasks you can perform in the Late Charges and Interest area:

Note: To be able to change the value of a field, you must have the profile option OKL: Update Late Charge Rules set to 'YES'.

- View and update the late fee charge policy that apply for this contract.
- Verify and update if you are not specifying a late charge for the customer for this contract.
- View and update the date until which you are holding late charges for this contract.
- Verify and update if you are not charging the customer late interest for this contract.
- View and update the date until which you are holding late interest for this contract.

Security Deposit

The following list shows the tasks you can perform in the Security Deposit area:

Note: To be able to change the value of a field, you must have the profile option OKL: Update Billing Structure set to 'YES'.

- Verify and update if you must hold the security deposit until the maturity date of this contract.
- Verify and update if you can net the security deposit refund from the termination proceeds for this contract.
- View the date until which you must hold the security deposit.

Evergreen Status

The following list shows the tasks you can perform in the Evergreen Status area:

Note: To be able to change the value of a field, you must have the profile option OKL: Update Evergreen Eligibility set to Yes.

- Verify and update if this contract is eligible for evergreen rents.

Interest Rate

For a lease contract, you can view the type of interest rate, for example, whether it's a fixed or variable rate, or what index is being used to compute the interest rate.

When you select the Interest Rate option on the Structure tab, you can view the following:

- Interest Type
- Interest Parameters

- Conversion Parameters
- Additional Interest Parameters

Interest Type

- Check the Interest Calculation Basis and Revenue Recognition Method.

Interest Parameters

- View interest details, such as Index Name, Base Rate, Adder, Principal, Interest Basis, and such.

Conversion Parameters

- View the Conversion Type, Conversion Option, and Next Conversion Date.

Additional Interest Parameters

Click Additional Interest parameters for more interest details.

Termination/Renewal

When you select the Termination/Renewal option from the Structure tab, you can perform tasks in the following areas:

- Termination Quote Calculation
- Termination Quote Process
- Termination Purchase Options
- Renewal Options

If the value of the profile option OKL: Update Termination Option Rules is set to 'YES', you may update some of the termination option fields in the Termination/Renewal window.

If the value of the profile option OKL: Update Renewal Options is set to 'YES', you may update some of the renewal option fields in the Termination/Renewal window.

Termination Quote Calculation

Note: To be able to change the value of a field, you must have the profile option OKL: Update Termination Option Rules set to 'YES'.

- View and update the type of any applicable discounts.

- View and update the type of any applicable quote fee.
- View and update the type of any applicable return fee.
- View and update the type of penalty for terminating the contract.
- View and update the discount amount.
- View and update the quote amount.
- View and update the return fee amount.
- View and update the penalty amount.

Termination Quote Process

Note: To be able to change the value of a field, you must have the profile option OKL: Update Termination Option Rules set to 'YES'.

- Verify and update whether or not the contract permits partial termination.
- Verify and update whether or not the contract permits early termination.
- View and update the number of days a quote is effective.
- View and update the maximum days a quote can be effective.
- View and update the number of days before contract expiration, considered to be the end of term.

Termination Purchase Options

Note: To be able to change the value of a field, you must have the profile option OKL: Update Termination Option Rules set to 'YES'.

- View and update the end of term option.
- View and update the amount of any fixed end-of-term option.
- View and update the mid-term option.
- View and update the amount of any fixed mid-term option.

Renewal Options

Note: To be able to change the value of a field, you must have the profile option OKL: Update Renewal Options set to 'YES'.

- View and update the number of days before the end of term the customer must be notified of the renewal option for this contract.
- View and update the renewal option for this contract.
- View and update the amount of the renewal option if required for the selected method.

Asset Return/Repurchase Process

When you select the Termination/Renewal option from the Structure tab, you can perform tasks in the following areas:

Asset Return

Note: To be able to change the value of a field, you must have the profile option OKL: Update Asset Return Rules set to 'YES'.

- View and update the floor price formula.
- View and update the remarket sale price formula.

Acceptance Method

Note: To be able to change the value of a field, you must have the profile option OKL: Update Misc Non Financial Information set to 'YES'.

- View and update the acceptance method.
- View and update the acceptance date.

Repurchase Quote Calculation

- Check whether the contract is subject to a repurchase agreement.
- View the repurchase quote formula.
- View the method, amount, formula, and prorate options for the sale price.

- View the method, amount, formula, and prorate options for the discount rate.
- View the method, amount, formula, and prorate options for the quote fee.

Purchase Options

When you select Purchase Options from the Structure tab, you can perform tasks in the Purchase Options area.

Purchase Options

Note: To be able to change the value of a field, you must have the profile option OKL: Update Termination Option Rules set to Yes.

- view and update the end of term option
- view and update the end of term amount
- view and update the end of term formula
- view and update the early term option
- view and update the early term amount
- view and update the early term formula
- view and update the Automatically Process the Fixed Purchase Option check box.

Note: If you select the Automatically Process the Fixed Purchase Option check box, you must:

- have already selected either \$1 Buyout or Fixed Purchase Option on the contract (Purchase Option Type field in the End of Term Purchase Option region of the Terms and Conditions page)
- not select the Evergreen Eligible check box in the Lease Center (Evergreen Status region of Billing Set Up in the Structure tab).

If the Automatically Process the Fixed Purchase Option check box is already selected on the contract, then you can deselect it in the Lease Center. Similarly, if the Evergreen Eligible check box is already selected on the contract, then you can deselect it in the Lease Center (Evergreen Status region of Billing Set Up in the Structure tab).

About the Parties Tab

The Parties tab provides information on all of the different organizations and persons associated to the contract. For example, one or more vendors may be tied to the contract or there may a guarantor, proving a default guarantee for part or all of the contract.

If the value of the profile option OKL: Update Party Information is set to Yes, you can view, update, or delete user-defined party roles.

Use the Parties tab to:

- View Parties Associated to a Contract
- View Contact Details Connected to a Party
- Add Parties to a Contract
- Delete Parties from a Contract
- Update Party Information
- Additional data

View Parties Associated to a Contract

Select All to view all parties tied to this contract or select a specific Party Role to limit viewing parties or suppliers to the selected role. You can choose this option to:

- View the name of the party.
- View the party identification number.
- View the relationship type or organization type of the party.
- View the role of the party with reference to this contract.
- For a guarantor, view the amount that they have guaranteed for the contract.

View Contact Details Connected to a Party

Within this tab, you can obtain a snapshot view of customers contact information including their mailing address, email address, and phone number.

Add Parties to a Contract

The Parties tab provides information on all of the different organizations and persons associated to the contract. For example, one or more vendors may be tied to the contract or there may a guarantor, proving a default guarantee for part or all of the contract.

If the value of the profile option OKL: Update Party Information is set to Yes, you can view, update, or delete user-defined party roles.

Use the Parties tab to:

- View Parties Associated to a Contract
- View Contact Details Connected to a Party
- Add Parties to a Contract
- Delete Parties from a Contract
- Update Party Information
- Additional data

Delete Parties from a Contract

If the value of the profile option OKL: Update Party Information is set to Yes, you delete a party from the contract.

In the Parties tab, click the party and the Delete Parties button.

Update Party Information

To update party information, click the party and the Update Parties button.

View or Update Parties Flexfields

You can view or update contract parties descriptive flexfields by selecting the flexfield icon on the Parties tab after selecting a party from the summary table. You can select the flexfield structure and add values. Only users with the correct profile option value can update flexfields.

About the Account Tab

The Accounts tab provides additional details for the customer's receivable account tied to the contract being viewed in the Lease Center. With this tab, you have account information at your fingertips and can view status of the customer, current balances, number of lease contracts, leasing invoices, and so on.

Use this tab to do the following:

- View Account Information
- Search and view Payment History for all the invoices related to an account
- Search and view Payment History for all the invoices related to a contract

- Make payment against outstanding invoices
- Issue a Credit Memo
- Send document for Billing

Related Topics

Account Information, page 31-21

View Account Payment History, page 31-25

Account Information

The Account tab displays the following Account information for account related to a contract:

- Customer account name
- Customer account number
- Current account status
- Number of active contracts

View Contract Payment History

To view payment history of a contract, select Contract from the list.

The payment history displays the following:

- Displays the details of all the invoices for the selected contract.
- Displays the details of a specific invoice for the selected contract when you click Invoice Number.
- Displays the tax summary for a specific tax amount when you click Tax Amount.
- Displays the details of all the receipts that are applied to a specific invoice of the Lease Center Contract.
- Displays the details of a specific receipt when you click Receipt Number.

Note: It is possible that one invoice can have invoice lines related to more than one contract. When you select to view the payment history for a contract, all the invoice that have at least one or more line related to the contract is displayed and the various amounts displayed for an

invoice is total invoice amount and not amounts related to only the selected contract. For example, invoice number 101 has three invoice lines, each with line amount 10. Line 1 is related to contract 101, line 2 is related to contract 102, and line 3 is related to contract 103. When you view the invoice for contract 101, the invoice amount displayed is 30.

For each invoice you can view the Operating Unit, Invoice Number, Invoice Date, Invoice Amount, Invoice Due Date, Invoice Currency, Tax Amount, Amount Adjusted, Payment Term, Status, and Invoice pulled or not.

For the selected invoice, the following receipt details are displayed in the Related Receipts region:

- Receipt Number
- Receipt Date
- Receipt Amount
- Receipt Currency
- Receipt Status
- Amount Applied
- Unapplied Amount
- On-Account Amount
- Payment Method
- Advanced

Tip: To filter the invoices list, click Search and enter the appropriate details.

Totals

The following totals are displayed in the Totals region:

Billed: Sum of invoice amount minus sum of adjustment for all the invoices displayed. In the contract view, it is the sum of all the invoices for a contract.

Received: Sum of applied amount for all the invoices displayed. In the contract view, it is the sum of all the invoices for a contract.

Remaining: Sum of remaining amount for all the invoices displayed. In the contract view, it is the sum of all the invoices for a contract.

Credited:Sum of credited amount for all the invoices displayed. In the contract view, it is the sum of all the invoices for a contract.

Invoice Line Details

To view the Invoice Line details, click the Invoice Number of an Invoice. It displays the following:

- Displays the Line details of all the lines for the selected invoice if the view mode is account and only the contract related lines if the view mode is contract.

Note: By default the view mode on the details page is same as it is on the summary page, you can change it if required.

- Displays the Tax Summary for a specific Tax Amount, when you click Tax Amount.
- Displays the details of all the receipts that are applied to a specific Invoice Line of the Lease Center Contract.
- Lets you issue a Credit Memo.
- Lets you send Documents.
- Lets you make a Payment.

Tip: To filter the invoices list, click Search and enter the appropriate details.

The invoice details window displays Invoice details, Line totals, and Invoice Line details.

Make a Payment

To make a payment, select one or more invoice lines with outstanding balance and click Make Payment. See Make a Payment , page 31-23.

Issue a Credit Memo

To issue a credit Memo, select one or more invoice lines and click Credit Memo. See Issue a Credit Memo, page 31-24.

Related Topics

Send Documents for Billing or Receipts, page 31-25

Make A Payment

You can initiate an electronic payment receipt for one or more invoice lines having outstanding balance.

To make a payment, select the invoice, click Make Payment, and enter the following:

- The payment amount for each line. This is defaulted to the outstanding amount, you can reduce the amount if required.
- Payment date and Payment channel. Based on the selected payment channel, the Receipt Method and the Remittance bank is defaulted.

Note: The Receipt Method is defaulted from the Default Receipt method assigned to the selected payment channel in the Default Receipt Method Setup. The remittance bank is defaulted based on the Receipt Method. It is the remittance bank associated to the receipt method where the remittance bank's primary currency is same as the payment currency.

You can change the defaulted receipt method and/or remittance bank if the OKL: Allow Updation of Receipt Method profile option is set to yes. See the Oracle Lease and Finance Management Implementation Guide for more details.

- Select the Payment Instrument Details and enter the authorization details.
- Click Accept Payment.

See: Update bank or Credit Card Details, Oracle Payments User Guide

Issue a Credit Memo

You can choose to initiate a credit memo for one or more invoice lines. You can issue an amount equal to or less than the Amount Remaining column.

You can also view a history of previous credit memo requests.

When the credit memo request is created, it is routed to an approval workflow to allow the credit memo to be issued. Once approved, Oracle Lease and Finance Management generates a credit memo invoice.

Steps

Perform the following steps:

1. Select Billing from the list.
2. Select one or more rows for which you want to issue a credit memo.
3. Click the Issue Credit Memo button.

The top part of the Issue Credit Memo window displays the rows for which you want to issue a credit memo. The lower part of the Issue Credit Memo window shows a history of previous credit memo requests for the row that is selected in the top part of the window.

4. Enter the credit amount(s) for each row for which you want to request a credit memo.
5. Click Issue Credit Memo to create the credit memo request and route it to an approval workflow, then click OK to acknowledge the message.

Send Documents for Billing or Receipts

You can send documents to customers in follow-up to inquiries on billing or receipts.

Steps

Perform the following steps:

1. For billing interactions or receipts, click the line(s) associated with the information you want to send the customer.
2. Click the Send Document button.
3. On the Send Document form, select a template Name from the list.
A read-only description appears in the Description box.
4. Enter the From email address.
5. Enter the To email address.
6. If you do not want to accept the default subject line, change the Subject.
7. Click the Allow Other Email box if you want to allow recipients other than those tied to the parties of the contract.
8. Click the Send Document button to send the document.
9. Click the Reset button if you want to start fresh.
10. Click the Cancel button to cancel the document request and return to the Transactions tab.

View Account Payment History

To view the payment history for an account, select Account in list. The payment history of account displays details of all the invoices generated by Oracle Lease and Finance Management for customer accounts.

The remaining functionality, views, and navigation is same as mentioned in View Contract Payment History, page 31-21.

View BPA Invoices

Oracle Bill Presentment Architecture (BPA) enables Customer Service Representatives and other authorized users to view a copy of the invoice as presented to the customer.

You can view BPA invoices by performing the following steps in the Lease Center:

- 1. Search for a contract.
- 2. Click on the Accounts tab.
- 3. Select an invoice.
- 4. Click BPA

About the Transactions Tab

The following topics describe the tasks that you can perform on the Transactions tab:

- Search for and View Disbursement Transactions, page 31-26
- Search for and View Receipt Information, page 31-27

Search for and View Disbursement Transactions

Users may receive requests from parties who may receive payments related to the contract. For example, an investor may inquire about the customer accounts with which they are associated. A vendor may inquire on a disbursement item relating to a specific customer's account.

Additionally, customers may request information on the accounts payable history, viewable by contract. This may include information such as refund checks or payments made to a vendor.

Steps

Perform the following steps:

1. To search for disbursements, select Disbursements from the list.
If there are no recent disbursement transactions for the contract, a message appears and the disbursement search screen pops up.
2. If disbursement records exist, the Disbursement Details section displays existing disbursement invoice details for the contract.
3. To narrow your search for disbursements transactions, click the Search button and select the appropriate search criteria.

4. Click the Search button to find a disbursement transaction.
5. Enter the appropriate parameters in the form, or choose them from the lists, and click Find. This allows you to view the following:
 - The asset number for which disbursement details are displayed.
 - The name of the vendor to whom the disbursement was made.
 - The transaction type of the disbursement.
 - The invoice number paid.
 - The invoice date of the paid invoice.
 - The amount that was disbursed.
 - The method of the disbursement.
 - The check number if a check was used for the disbursement transaction.
 - The date the check was issued, if applicable.
 - The disbursement amount.
 - The currency in which the disbursement was issued.

Search for and View Receipt Information

You can view details of receipts and the invoices to which they apply, view the total amount applied against a particular invoice line, reference in A/R, as well as view payment method and other details. You can send this information to the customer using the Send Document feature.

To view the details, select Receipts from the list.

The Receipt and Receipt application details for each receipt applied to the invoice line in a contract is displayed.

The Receipt details for an advance receipt created against contract is also displayed.

Note: By default the basic information of the receipt and receipt application is displayed. Right click any column header to show or hide columns

Steps

Perform the following steps:

1. Select Receipts from the list.
- 2.
3. Enter the appropriate parameters in the form, or choose them from the lists, and click Find.

Line Totals

Transaction: Total transaction amount of distinct invoice numbers.

Applied: Total of the Applied Amount column.

Remaining: Total of the Remaining Amount column for the distinct invoice lines.

About the Asset Tab

The initial display of the Assets tab shows a summary list of the following fields for each asset:

- Asset Number
- Description
- Quantity
- Status
- Manufacturer Name
- Model Number
- Original Equipment Cost

From this display, you can decide to view all asset details, including property tax details. You can also change the location of multiple assets using the Bulk Asset Update feature.

The main topics in this section are:

View Asset Details, page 31-28

View Property Tax, page 31-33

Change the Location of Multiple Assets, page 31-34

View Asset Details

To view the asset details, click an asset, click the Asset Details button.

The top of the Asset window again shows a list of the assets with the same summary information as appears in the initial Asset tab display. In the lower part of the window

are individual tabs that provide more information about the asset.

To see detailed information about an asset, click on the asset in the asset list, then click the appropriate tab in the lower part of the window.

The tabs in the Asset window are as follows:

- Summary Tab, page 31-29
- Serial Numbers Tab, page 31-30
- Usage Based Billing Tab, page 31-30
- Liens Tab, page 31-30
- Registrations Tab, page 31-31
- Taxes and Adjustments Tab, page 31-31
- Suppliers and Add-ons Tab, page 31-32
- Financial Structure and Residual Tab, page 31-33

Summary Tab

You can view the following asset-related fields in the Summary tab:

- Asset number
- Year that the asset was manufactured
- Asset description
- Item description
- Manufacturer and model of the asset
- Location
- Number of units and unit cost of the asset
- The asset's depreciable life in months
- Original cost and the residual value of the asset
- Vendor name
- Title holder and title location of the asset

- In service date
- Whether the asset is new
- Whether the asset is prescribed
- Asset descriptive flexfields

Serial Numbers Tab

You can view the following asset-related fields in the Serial Numbers tab:

- Number of units
- Serial number
- Unit cost

Usage Based Billing Tab

Some assets may be set up to incur a periodic charge based on usage of the asset. Customers may inquire about a meter reading or pricing plan, report a meter reading, or request a change in a previous meter reading. Agents use this window to resolve such requests.

You can view the following meter reading fields in the Usage Based Billing tab:

- Counter name
- Serial number
- Consolidated counter
- Last reading
- Last reading date
- Unit of measure
- Reading date
- Meter reading
- Bill amount

Liens Tab

You can create a new lien and view the following lien-related fields in the Liens tab:

- Filing number
- Jurisdiction in which the lien for this asset was filed
- Date on which the lien continuation for this asset was filed
- Sub-jurisdiction in which the lien for this asset was filed
- Continuation number of the lien extension for this asset.
- Lien type
- Expiration date
- Status of the lien filing for this asset
- Party holding the lien on this asset

Registrations Tab

You can create a new registration and view the following registration-related fields in the Registrations tab:

- Title number and location
- Title type, title date, and title holder location in which this asset is registered
- Registration number and registration location
- Title issue
- Payee site
- Registration expiration date

Taxes and Adjustments Tab

You can perform the following tasks in the Taxes and Adjustments tab.

Sales Tax

- Check if the customer is sales tax exempt for this asset.
- View the customer's tax exempt certificate number.
- Check if the look up sales tax rate is to be replaced by a manual override rate for this asset.

- View the amount of the manual override sales tax rate for this asset.

Value Added Tax

- Check if the customer is VAT exempt for this asset.
- View the customer's VAT exempt certificate number.
- Check if the look up VAT rate is to be replaced by a manual override rate for this asset.
- View the amount of the manual override VAT rate for this asset.

Adjustments

- View the total capitalized cost of the asset.
- View the percent of the reduction in capital for the asset.
- View the value amount of the reduction in capital for the asset.
- View the amount of any trade-in applied to the capital amount.
- View the adjusted capital cost of the asset line.

Change Tax Exempt Status

- If the OKL: Update Asset Details profile option is set to Yes, you can change the tax exempt status for an asset in the Taxes region.

Suppliers and Add-ons Tab

You can perform the following tasks in the Suppliers and Add-ons tab.

Suppliers

- View the vendor of the supplier invoice.
- View the ship to address on the supplier invoice.
- View the supplier invoice number for the asset.
- View the date of the supplier invoice.

Add-ons

- View the item code for add-ons to this asset.
- View the Description for the add-on.
- View the quantity of add-ons.
- View the cost per unit of the add-ons.

Financial Structure and Residual Tab

You can view the following fields in the Financial Structure and Residual tab.

Financial Structure

- Principal balance
- Net receivables
- Total capital cost

Residual

- Percentage of the equipment cost that represents the residual value
- Guarantor of the residual, if applicable
- Amount of the residual value
- Amount of the residual value that is guaranteed

View Property Tax

To view the property tax details for one or more assets, click an asset, then click the Property Tax button.

On this form, for each asset selected, you can:

- View the Asset Number for which the property tax information is being displayed.
- View the Asset description for which the property tax information is being displayed.
- View the state for the asset location.
- View the location of the asset for which the property tax information is being

displayed.

- View the date property tax was assessed for this Asset.
- View the amount billed as property tax.
- View the tax rate or mil rate for the city under which the asset's property tax rate is assessed.
- View the city under which the asset's property tax rate is assessed.
- View the county under which the asset's property tax rate is assessed.
- View the tax rate or mil rate for the county under which the asset's property tax rate is assessed.
- View the state under which the asset's property tax rate is assessed.
- View the tax rate or mil rate for the state under which the asset's property tax rate is assessed.
- View the school district under which the asset's property tax rate is assessed
- View the tax rate or mil rate for the school district under which the asset's property tax rate is assessed.

Change the Location of Multiple Assets

To change the location of multiple assets for the customer, use the Bulk Asset Update feature.

Steps

Perform the following steps:

1. From the main Asset window, using the Control key, select all the assets to be updated.
2. Click the Bulk Asset Update button.
3. The Asset Location Bulk Update form appears.
4. Select or enter the new location for the asset.
5. Click OK to submit the changes or click Cancel to exit without saving.

About the Insurance Tab

Many lessors require that customers leasing equipment carry insurance for assets on lease or other types of optional insurance to meet credit requirements. A lessee can meet the requirement for lease insurance by carrying a third-party insurance policy, or they can buy insurance from the lessor.

Oracle Lease and Finance Management functionality allows you to capture the customer's third-party insurance information, or you can create a quote and sell an insurance policy to the lessee. The lessor then purchases a policy from pre-defined insurance providers on behalf of the lessee.

Within the Lease Center Insurance Tab, you can access both quote and policy information. You can use the Insurance tab to view or perform tasks within these views. For active policies (both lease and optional insurance) you can log claim information.

Quotes

When you are in the Quotes view of the Insurance Tab, you can see information on existing quotes. On the left panel, a list of all the existing quotes appear. When you select one, relevant information appears in the right panel. This includes quote number, provider, insurance product, insurance type (optional or lease), premium, payment frequency, quote valid dates, and effective dates. From this view you can also perform the following:

- Create a Lease Insurance Quote, page 31-36
- Create an Optional Insurance Quote, page 31-37
- View Quote Details, page 31-39

Policies

When you are in the Policies view of the Insurance Tab, you can see information on existing policies. On the left panel, a list of all the existing quotes appears. When you select one, relevant information appears in the right panel. This includes policy number, status, name of insured, provider, product, premium, covered amount, factor value, and so on.

From this view you can also perform the following:

- View Policy Information, page 31-39
- Gather Third-Party Insurance Information, page 31-40
- Activate Policy, page 31-41

- Cancel/Delete Policy, page 31-41
- Obtain Policy Details, page 31-42
- Log Insurance Claims, page 31-42

Create a Lease Insurance Quote

Lease insurance covers all assets that are on a contract. The coverage amount of the insurance plan is equal to the value of the assets on lease.

Use the following procedure to create a lease insurance quote.

Steps

Perform the following steps:

1. In the Insurance field, choose Quotes from the list of values and click the Create Quote button.

The Create Insurance Quote form appears.

2. In the Create field, select Lease Insurance Quote.

On the page, all asset lines associated with this contract are displayed. The table includes asset description, quantity, original equipment cost, asset category, insurance class, and location. The total amount of the original equipment cost of all the asset lines is the amount of coverage requested.

3. In the Provider field, choose the provider for the lease insurance from the list of values.
4. Choose the Payment Frequency from the list of values.
5. Choose the Sales Representative credited with selling the insurance policy from the list of values.
6. Choose the Insurance Location from the list of values.
7. If the lessor is the insured on the policy, then select the Lessor Insured check box.
8. If the lessor is the payee on the policy, then select the Lessor Payee check box.
9. Enter the start date of the policy in the Insurance Effective From field.
10. Enter the length of the insurance policy in the Term In Months field.
11. Enter the Quote Effective From and Effective To dates of the quote.

These dates represent the period the quote is valid for acceptance.

12. Click the Calculate Premium button to calculate the premium.

During this process the provider selected and location parameters are used to locate the insurance product and related rates appropriate for the value of the contract and the assets covered.

13. The quote information appears along with the Calculation Result.

If you want to adjust the quote, enter the adjustment amount in the Adjustment field.

This amount is subtracted from the premium total. The adjustment calculates an Adjusted Premium number and records who made the adjustment.

14. At this point you can take three actions on the quote:

- Accept Quote: Click this button to accept the quote. This action creates a quote number and a policy number, after which you can no longer modify the quote.
- Save Quote: Click this button to save the quote for the quote period and create a Quote Number. You can later search for the quote, to make further modifications or to accept the quote.
- Modify: Click this button to enable you to make modifications and then recalculate the premium.

Create an Optional Insurance Quote

Optional insurance covers other factors than basic lease insurance. Optional insurance could include life insurance, loss-of-business insurance, and so on.

Use the following procedure to create an insurance quote for optional insurance.

Steps

Perform the following steps:

1. From within the Create Insurance Quote form, in the Create field choose the Optional Insurance Quote option.
2. In the Insurance Product field, choose the optional insurance product you want to quote for the customer.

The provider and insurance factor appear as read-only fields on the page.
3. Enter the Name of Insured party.
4. Choose the location of insured from the list of values in the Country field.
5. Enter the Factor Value.

This information is used to determine the premium rate for the product. For example, if the insurance factor was set up as age for the product, enter the age of the person covered by the policy.

6. Enter the amount of coverage provided in the policy in the Amount Covered field.
The premium rate is multiplied by this coverage amount to determine the monthly total premium.
7. Choose the Payment Frequency for the policy.
Examples are half-yearly, yearly, monthly, and so on. Note that premiums are calculated on a monthly basis. A half-yearly payment includes six premiums.
8. Select the Sales Representative that is creating the insurance quote from the list of values.
9. If the lessor is the payee of the policy, select the Lessor Payee check box.
10. If the lessor is the insured party, rather than the customer, select the Lessor Insured check box.
11. Enter the date the insurance policy becomes effective in the Insurance Effective From field.
12. Enter the length of the policy in the Term in Months field.
13. Enter the Quote Effective From and Effective To dates.
14. Add additional details to the quote.
15. Click the Calculate Premium button to calculate the premium.
During this process, the product selected, location, covered amount and factor value parameters are used to find the provider and premium rates appropriate for the value of coverage.
16. The quote information appears along with the Calculation Result.
If you want to adjust the quote, enter the adjustment amount in the Adjustment field.
The adjustment calculates an Adjusted Premium amount and records who made the adjustment.
17. At this point you can take three actions on the quote:
 - Accept Quote: Click this button to accept the quote. This action creates a quote number and a policy number, after which you can no longer modify the quote.

- **Save Quote:** Click this button to save the quote for the quote period and create a Quote Number. You can later search for the quote, to make further modifications or to accept the quote.
- **Modify:** Click this button to enable you to make modifications and then recalculate the premium.

View Quote Details

After a quote is saved or accepted, you can see the details by double-clicking the quote in the Quotes view of the Insurance tab. The Insurance Quote Details form that appears contains the same information as the Create Insurance Quote form except you cannot modify a quote from this form. You can accept a saved quote.

View Policy Information

After you have accepted a quote, a policy number is generated and the information is converted from an insurance quote to an insurance policy. Oracle Lease and Finance Management allows you to view information about existing insurance policies within the Insurance tab. To do so, select Policies from the Insurance list. The left panel displays all the policies associated with the contract and the following information about each policy:

- Policy number
- Policy type
- Provider
- Status
- Activation Date
- Premium

You can view a policy by clicking on the policy you want to view. In the Insurance Policy box (the right panel), the applicable information appears for the selected policy. You can also double-click the policy to view the following parameters:

- Policy number
- Status
- Provider
- Premium

- Insurance product
- Factor value
- Sales representative
- Insurance factor
- Name of insured
- Payment frequency
- Policy type
- Covered amount
- Activation date
- Effective date

From the Policy Summary page, you can perform several tasks, covered in the following topics.

Gather Third-Party Insurance (TPI) Information

Oracle Lease and Finance Management functionality allows you to capture information about the customer's third-party insurance policies.

Use the following procedure to capture third-party insurance information.

Steps

Perform the following steps:

1. In the Insurance tab, select Policies from the Insurance pull-down list and click the **Gather Third Party Insurance** button.

The Insurance Third Party Policy form appears.

2. In the **Policy Number** field, enter the insurance policy number
3. In the **Covered Amount** field, enter the amount of coverage the policy provides.
4. In the **Endorsement** field, enter a description of any endorsements to the policy.
5. In the **Deductible** field, enter the amount of any policy deductible.
6. In the **Name of Insured** field, enter the name of the insured customer.

7. If the lessor is insured, select the **Lessor Insured** check box.
8. If the lessor is named as a payee on the policy, select the **Lessor Payee** check box.
9. Enter the Due Date proof of the policy must be obtained by.
10. Enter the Provided Date when proof was obtained.
11. Enter the mandatory **Effective From** and **Effective To** dates of the policy.
12. Under the **Third Party Insurance Agency** section, in the **Insurance Company** field, click the **Go** button and select the **Insurance Company** providing the policy.
13. Select the address of the insurance company from the list of values.
14. Under the **Third Party Insurance Agent** section, in the **Agent/Broker Name** field, click the **Go** button and select the lessee's agent or broker from the list of values.
15. Select the address of the agent or broker from the list of values.
16. Click **Create** to save your work.

If there is an existing Force Place Insurance (FPI) policy, perform the following steps before entering the TPI policy details:

1. Cancel the existing FPI policy.
2. Activate the TPI policy.

Important: The TPI and FPI policy effective dates must be the same. For example, if the FPI was created with effective dates of 01-Jan-2016 to 31-Dec-2016, the effective dates for the TPI should also be 01-Jan-2016 to 31-Dec-2016.

Activate Policy

To activate a policy, select the policy you want to activate and click the Activate Policy button.

Cancel or Delete Policy

To cancel or delete a policy, choose a policy and click the Cancel or Delete Policy button. You can delete policies prior to activation, but after they are activated, you must cancel them. Any amounts to be credited to the customer's account or retrieved from a provider on behalf of the lessor are automatically calculated and processed.

Obtain Policy Details

To obtain more detailed policy information that which appears on the main page, double-click the policy you want to view. You can view the following information.

Insurance Policy Detail

- Policy number
- Provider
- Insurance product
- Sales representative
- Name of insured
- Policy type
- Covered amount
- Activation date
- Status
- Premium
- Factor value
- Insurance factor
- Payment frequency
- Lessor payee
- Lessor insured
- Effective from

Assets

- Asset
- Original equipment cost
- Type

- Insurance class
- Location

Log Insurance Claims

For contracts with existing insurance policies, you can log claims made against a policy by your customers. You can log two types of insurance claims:

- Lease Insurance Claim
- Optional Insurance Claim

In either case, to log an insurance claim you must select a policy. The policy type, which is displayed in the policy header information, determines the type of claim you create.

Note: Customer Service representatives record claim information provided by outside sources. They do not serve as an insurance agent.

Create Lease Insurance Claim

Follow these steps to create a lease insurance claim:

1. On the main Insurance tab and from within the Policy view, select the lease insurance policy you are filing the claim against and click the Insurance Claims button.

This opens the Insurance Claims summary form. This form displays some policy details (policy number, type, provider, and so on) and also lists all the claims already made against the policy.

2. To create a new claim, click the Create Claim button.

This opens the Add Lease Insurance Claims form. This form displays the insured assets under the policy in the Asset Details table.

3. In the Claim Details section, enter the Claim Number.
4. Enter the Claim Amount.
5. Enter the Claim Date.

6. From the list of values, choose the Claim Status.

Possible values are: Completed, Entered, In Progress.

7. From the list of values, choose the Claim Loss Type.

This value represents the type of incident that generated the claim. Possible values

include: flood, fire, power surge, road accident, and so on.

8. Enter the Accident Date that the claim references.
9. Enter information for the police department handling the claim in the Police Contact Information field (phone number, address, and so on), if applicable.
10. Enter the Police Report Number, if any.
11. In the Asset Details section, select the asset the claim refers to and enter the Damage Description.
12. Enter the Claim Description for the damaged asset.
13. Choose the Claim Type for the asset.
Indicate whether the claim is for Full coverage or Partial Damage coverage.
14. Choose the Line Status for the asset.
This value indicates the overall state of the asset line. Possible values are: Good, Fair, Poor, and Not Applicable.
15. Choose the Condition Status for the asset.
This value indicates where the asset is in the repair process. Possible values are: Pending, Repaired, Waiting For Approval.
16. Repeat steps 11-15 for each asset affected by the Claim.
17. To save the claim, click the Submit Claim button.
18. If you need to hold any billing items as a result of the claim, click the Lock Out button
The Hold Billing form opens. This form displays information about the Asset Claim in the header and displays a table with all the billing items for the selected asset, along with the next due date and the next amount due.
You may want to withhold billing for some claims, such as those that involve warranty repairs, for example. If an asset is off-line due to warranty service, the contract may stipulate that you cannot charge for "service and maintenance" during that period.
19. Choose the check box to the left of the billing item you want to hold and click the Hold Billing button.

Create Optional Insurance Claim

Follow these steps to create an optional insurance claim:

1. On the main Insurance tab and from within the Policy view, select the policy of type "optional" against which you are filing the claim, and click the Insurance Claims button.

This opens the Insurance Claims summary form. This form displays some policy details (policy number, type, provider, and so on) and also lists all the claims already made against the policy.

2. To create a new claim, click the Create Claim button.

This opens the Add Optional Insurance Claims form.

3. Enter the Claim Number.

4. Enter the Claim Amount.

5. Enter the Date of the Claim.

6. Choose the Claim Status from the list of values.

The options are: Entered, Completed, In Progress.

7. Choose the type of Claim Loss from the list of values.

This value represents the type of incident that generated the claim. Possible values include: flood, fire, power surge, road accident, and so on.

8. Enter the date the accident that generated the claim occurred.

9. Enter the contract information for the police department handling the claim in the Police Contact Information field (phone number, address, and so on).

10. Enter the Police Report Number, if any.

11. Enter a description of the claim.

12. Click the Submit Claim button to save your work.

Insurance Management

Oracle Lease and Finance Management provides the ability for lessors to track and manage insurance coverage for leased assets, including the ability to force place a policy and purchase that policy from a third party provider. Since the leased assets are generally the collateral behind any financing contract, insurance is an essential element of the underwriting.

Force Placed Insurance Restrictions

Use the insurance restrictions for Vendor Program Agreement, Insurance Asset Class,

Vendor to prevent the placement of an asset insurance policy. These restrictions can be used in combination with any of the existing restrictions. Setup the insurance restrictions so when running the force placed insurance program, a policy is not quoted and placed for any contract with financed assets falling within the restricted conditions.

To setup insurance restrictions, navigate to Risk Management > Insurance Programs > Insurance Restrictions. Click Create to open the Create Insurance Restriction page.

- Select the Insurance Class: Choose the insurance asset class from the predefined Insurance Class Lookup of OKL_INSURANCE_ASSET_CLASS.
- Select the Vendor Name: Choose any vendor from Oracle Payables belonging to your organization unit.
- Select the Vendor Program Number: Choose any VPA that was created in the Vendor Program Agreements section that were activated on the start date entered on the insurance restriction. The list of values is filtered based on the Vendor that was selected previously. If no, Vendor Name is selected then it will be open to all active VPAs.

Associate a Third Party Policy to Multiple Contracts

To prevent the forced placement of a lease insurance policy, lessee/borrowers may provide proof of their own insurance policy that covers the financed assets. Such third party policies can be associated to more than one contract. An option is provided in the Operations and Customers menus for Third Party Insurance. From this tab, you can view the existing contracts associated to the policy or associate additional contracts to the policy. You can also view policies from the Lease Center and find policies based on new search attributes for Asset Number, Serial Number and Policy Number.

The forced placed insurance program verifies the coverage levels of multiple contract asset values against the limits of the same third party policy as well as the policy effective dates.

Insurance Premium Based On Capital Cost

For calculating insurance premiums, select the factor option for capital cost. The total amount of the capital cost includes all asset lines plus add-ons plus capitalized expense and minus trade-ins, down payments, and subsidies. This is the amount being insured on the insurance policy.

To select the insurance premium, navigate to Risk Management, then Insurance Programs, then Insurance Products. Define the calculation factor by selecting the **Capital Cost** from the **Factor Name** drop-down list.

Insurance Exclusions

An insurance exclusion is a policy provision that eliminates coverage for some type of risk, where the insurers utilize exclusions to carve out coverage for risk they are not

willing to insure. These are types of conditions excluded from the insured event to avoid losses to the company. Oracle Lease and Finance Management supports a set number of seeded exclusions or restrictions, such as industry type and asset category. You can:

- Add additional insurance exclusions including operating unit, deal size, state, customer, SBU. You can write your own logic and provide the status on the contract exclusion for lease policy creation. This can be performed using the Auto Insurance program, while creating the lease policy, or while rebooking the contract.
- Search for exclusions by operating unit, plan name, SBU, or effective dates.
- Validate exclusions that are critical to lessors.
- After insurance cancellation, you can apply credit memos to open unpaid invoices.
- Create force place exclusion by SIC Code.

About the Requests Tab

Use the Requests tab to help customers with the following requests:

- Termination Quotes
- Equipment Exchange
- Transfer and Assumptions
- Renewal Quotes
- Principal Paydown Payments
- Convert Interest Rate

Termination Quotes

Use this tab to create new termination quotes and view existing quotes for a contract. All termination quotes created in the Lease Center for a contract are based on Termination Quote rules defined for the contract during authoring and use the quote calculation mechanism specified in the Asset Management module of Oracle Lease and Finance Management.

With this feature you can:

- View Previously Created Termination Quotes
- View Details and Amount Breakdowns for an Existing Quote

- Create a New Quote

View Previously Created Termination Quotes

When you click the Requests tab, select termination quotes in the list and choose Termination Quotes. Previously created termination quotes appear in the form. Information includes the number, the quote type, the status, the quote reason, the amount, and the effective from and to dates.

View Details and Amount Breakdowns for an Existing Quote

To view the quote amount breakdown for existing quotes, click the link under the Amount column pertaining the quote in question on the Termination Quote Summary table. To view details about the quote, click the Quote Number.

On the Termination Quote Details screen, you can do the following:

- Display in the contract number for the termination quote.
- Display quote number.
- Display the total quote amount calculated for the quote.

Click on the ellipsis button next to the Amount field to get a breakdown of Quote Amounts.

- Display the total anticipated billing amount calculated for the quote, inclusive of sales tax.

Click the ellipsis button next to the **Anticipated Billing** field to get a breakdown of anticipated billing amounts.

- Display the date the quote became effective.
- Display and update the date the quote becomes ineffective.
- Display status of the quote.
- Display whether the quote is determined to be an early termination quote.
- Display approval status of the quote.
- Displays a check box indicating whether the termination quote is accepted.
- Display the type of quote created.
- Display quote reason tied to the termination quote.
- View or add to the comments tied to the termination quote.

- Display party name for the quote.
- Display the role the party holds for the contract.
- Display the type of recipient the party is on the quote.
- Display the contact who received the quote.
- Display date that the quote is held until before being distributed.
- Display date the quote recipient was notified.
- Click button to save and changes to the termination quote.
- Click button to cancel out of this screen.

Create a New Quote

Steps

Perform the following steps:

1. Click the New button.
2. The Create Quote form appears.
3. Select a Quote Type from the list.
An example is Termination with purchase.
4. Choose a Quote Reason from the list.
5. Enter a note in the Comments field.
6. Select one or more asset line associated with the quote.
7. Click the Save button on the toolbar to save the request, calculate the quote amount, and trigger a workflow, which executes the quote process.

Equipment Exchange

A customer may request to exchange one or more assets on a contract. It may be a temporary loaner or a permanent exchange. Oracle Lease and Finance Management supports the following types of exchange:

- Like for Like, where the asset being exchanged is the same or similar to the new asset.

- Non-like for like, where the asset being exchanged may be completely different from the new asset. A non-like for like asset exchange has financial implications and results in the contract being modified and rebooked if approved.

You are required to make the determination on whether the exchange is a like for like or non-like for like exchange.

In the Equipment Exchange Summary window you can view details of existing requests, such as status, request type, and creation date. You can perform tasks in the following areas:

- View Equipment Exchange Information
- Create a New Equipment Exchange Request

View Equipment Exchange Information

From the Equipment Exchange Summary window, double-click on a request line to view the following details:

- Request Number
- Status
- Comments
- Duration of Exchange
- Return Date
- Exchange Date
- Details about the current asset
- Details about the replacement asset

You can also update the Comments field on the request.

Create a New Equipment Exchange Request

To create a new request, click on New from the Equipment Exchange Summary window.

In the New Request form, you can:

- Add comments pertaining to the exchange request.
- Select the duration, for example, whether it is a permanent exchange or a loaner.
If it is permanent, select the type of exchange

If it is a loaner, you must enter the return date.

- Enter the Effective Date of the exchange.
- Select the asset to be exchanged.
- Specify serial number, asset description, item year, model, manufacturer, and vendor of the new asset.
- If the exchange is permanent and non like-for-like, you can enter the new unit cost.
- Click the Save button to save the request and initiate the OKL CS Equipment Exchange workflow, which retrieves the necessary approvals for this request.

After you have saved the request, you can:

- View the request number.
- View the status of the request as it moves through the approval and/or rebooking life cycle.

Transfer and Assumptions

Transfer and assumption transactions pass ownership of leased assets to other lessees. You can initiate a request for a transfer and assumption transaction in the Lease Center for a contract in Booked status, in all book classifications except Loans and Revolving Loans, because loans do not include assets and are not generally transferred. Contracts eligible for transfer and assumption transactions may also be in status Evergreen, Litigation Hold, or Bankruptcy Hold. Contracts cannot be in Rebook status, and the original contract must be fully funded.

Only full lines of assets on a contract can be transferred in the transfer and assumption process. If only some of the items on an asset line are to be transferred, perform a split assets procedure before the transfer and assumption transaction.

Setups For Transfer And Assumption Requests In the Lease Center

Before you initiate Transfer and Assumption requests in the Lease Center, you must have set up the following:

1. Oracle XML Publisher, including an XML layout template and an associated report template in Oracle Lease and Finance Management for the Transfer and Assumption request document.

See Associate XML Layout Templates to Oracle Lease and Finance Management Report Templates in the *Oracle Lease and Finance Management Implementation Guide*.

2. Oracle Approvals Manager (for an internal approval hierarchy in your organization for Transfer and Assumption requests).

3. Particular profiles in Oracle Lease and Finance Management, and assigned them to appropriate users, such as:

OKL: Credit Approver

OKL: Collections Approver

OKL: Agent for receiving customer response

OKL: Agent for receiving vendor response

OKL: Contract Administrator

Create Request

Select the old contract, select a request type of Transfer and Assumption, select New, and then select the Type of Transfer: either Complete (Full, all assets from the original contract) or Partial (only some of the asset lines from the old contract). Only full lines of assets can be transferred in either case. To transfer a partial asset line, split the assets first (cross-ref split assets), and then create the Transfer & Assumption request.

Type of Transfer: Complete transfer creates a new contract and terminates the old. Partial transfer creates a new contract for the selected asset lines and rebooks the old contract with the remaining assets.

Enter the Transfer Effective Date. It must be after the last paid invoice and at a normal billing period division, such as in whole months. Billing will be run on the old contract so that the previous customer is liable for all the invoices up to this date, and is credited back for any invoices not yet paid after this date. (Two transfer and assumption transaction types are seeded: Release Billing, and Release Credit Memo.) The new customer is responsible for all the billing after this date, as with any new contract.

Enter new contract details, including the new lessee, customer account, and bill-to address, bank account, contact, contact email, and contact phone number. If you enter a new contract number, it is carried through for the new contract when the contract administrator performs the transfer and assumption.

Click Insurance Details to enter the new insurance information. An insurance details form opens appropriately for your choice of either third party policy or Lease policy. Processing for insurance of the original contract is the same as for full or partial termination.

In the Assets on Original Contract region, select and click the arrow to move the asset lines into the Assets on New Contract region. You can update the bill-to address, install site, and fixed asset location.

Click Create or Update to save changes. After you create the request, its status is Entered. Accept the request after making all changes. An interaction history record is created from the request and the request acceptance.

Workflows

After you accept the request, it is routed through a workflow for multiple approvals. At each stage of the workflow, after required approvals, the status of the Transfer and Assumption request is sequentially changed to Credit Approved, Collections Approved, Customer Approved, and Vendor Approved.

Through Oracle Approvals Manager, notifications are sent. After everyone on the internal hierarchy has approved the Transfer and Assumption request, notifications are sent for outside credit approval, collections approval, customer approval, and vendor approval. After these approvals, a final notification is sent to the contract administrator to inform him or her of the successful Transfer and Assumption approval. In each of these cases, notification goes out to the users set up for the Oracle Lease and Finance Management approval profiles.

Using the process template set up for Transfer and Assumption, Oracle Fulfilment sends a request to the new customer contact specified on the Transfer and Assumption request, and also to the vendor contact defined on the vendor program attached to the old contract. The Fulfilment request is sent automatically as part of the Transfer and Assumption workflow process.

Contract Administrator Performs the Transfer and Assumption

The workflow then notifies the Contract Administrator to make the transfer manually using the Origination > Contract > Contract Revision > Re-Lease pages. The new details that you entered on the request are carried through to the contract administrator, improving efficiency.

Transferred and Assumed Contracts In The Lease Center

The contract header on a new contract that contains assets that were transferred and assumed from another contract additionally displays the older contract number in the field Transferred From.

For original contracts with assets that have been transferred and assumed, you can view the new contract number by drilling down from the interaction history records created for Transfer and Assumption and displayed on the Lease Center Overview tab.

Renewal Quotes

You can initiate a request to renew a contract. This function provides you with the ability to capture a new residual value and term. When you create the request a new payment amount is automatically calculated. The value can be routed for approval, accepted by the customer, and then submitted for a rebook.

Principal Paydown Payments

A principal paydown is a payment made by the lessee specified to reduce the principal

loan balance. Principal paydowns are requested from the Lease Center. In Oracle Lease and Finance Management, principal paydowns are limited to fixed rate loan contracts and do not apply to variable rate leases or variable rate loans.

When you create a Principal Paydown Request, Oracle Lease and Finance Management will make a pricing call to reamortize the loan for the remaining principal balance over the remaining contract term. The new payment amount is displayed for each asset. If the request is submitted and approved, Oracle Lease and Finance Management automatically rebooks the contract.

During the rebooking process, the payments are updated for each asset to add a stub payment for the principal paydown amount on the paydown date. Streams are regenerated and the contract is then rebooked automatically. All pending principal paydown requests are cancelled to prevent errors.

If the contract rebooking process fails while submitting a Principal Paydown Request, then all transactions are rolled back automatically, contract entries are reversed, and the principal paydown transaction and Principal Paydown Request are cancelled. After the rebooking is complete, an invoice is generated for the principal payment amount. If you associated an on-account receipt to the Principal Paydown Request, the receipt is associated to the invoice during creation. If the rebooking fails, the principal paydown stream associated with the payment amount is left Unbilled. It can then be billed using the standard Oracle Lease and Finance Management billing programs.

Principal Paydown Process

The principal paydown process includes the following steps:

1. Record an on-account receipt for a principal payment or any other overpayment
2. Create a Principal Paydown Request in the Lease Center
3. Optionally, apply an On-Account receipt to the Principal Paydown Request
4. Price the Request to determine the new payment amount after the Request is applied
5. Accept the Request
6. Upon acceptance, Oracle Lease and Finance Management rebooks the contract and creates an invoice
7. If the Request is associated with an on-account receipt, the receipt number is associated to the invoice
8. Request status is updated once rebooking is complete
9. If rebooking fails, the invoice record will still be created and picked up during the next billing program run

Prerequisites

1. Before a Principal Paydown request can be created, you must set up a stream type with the seeded purpose of Unscheduled Principal Payment. To set up stream types, see Define Streams and Pricing, *Oracle Lease and Finance Management Implementation Guide*.
2. In the Stream Generation Template, the primary stream type of RENT must be updated with the new principal paydown stream type as a dependent of RENT. To update the Stream Generation Template, see Define Streams and Pricing, *Oracle Lease and Finance Management Implementation Guide*.

Create and Submit Principal Paydown Request

Lease Center agents create Principal Paydown Requests from the Requests tab of the Lease Center after searching for the contract.

To create a Principal Paydown Request, perform the following tasks:

1. Select Principal Paydown from the dropdown menu as the Request Type and click New.
2. Enter principal paydown details in the Principal Paydown Request window.

Additional Information: In the Principal Balance with Accumulated Interest Region, the Current field represents the sum of the contract's outstanding principal balance and accumulated interest as of the Paydown Date.

Additional Information: The Paydown Date is the date on which the principal paydown will be made and must be after the most recent billing through the current date. After the Paydown Amount is entered, the New Principal Balance field will reflect the new paydown amount. Validations will alert you to reduce the Paydown Amount if it equals or exceeds the Current Principal Balance.

An unscheduled principal paydown is a principal pre-payment of the loan prior to the stated maturity date. For unscheduled principal paydown requests, the **Paydown Date** must be before the existing maturity date. If the interest has already been billed for dates on or after the **Paydown Date**, interest billing adjustments are generated.

- When you enter an unscheduled principal paydown amount in the request, the system ensures that the amount entered does not exceed the outstanding principal balance.

- When you enter an unscheduled loan paydown amount in the request, the system ensures the amount entered does not exceed the outstanding loan balance.
3. Optionally, select an On-Account Receipt and Receipt Number and apply the receipt towards the Principal Paydown Request.
 4. The Calculate Payment button causes Oracle Lease and Finance Management to call the stream generator to get the new payments for assets after principal paydown. The New Payments button can be used, after the stream generator returns the new payments, to view new payment details on each of the contract assets. The Principal Paydown Payments window shows the contract assets with payment details.
 5. After reviewing the payments by asset, you can use the Accept Payment button to submit the Principal Paydown Request.

View Payment Transactions

After you have created a principal paydown, you can view the payment transactions from the Schedules tab of the Lease Center by selecting Payment Schedules from the Type dropdown menu.

If the Billing Date is null, the payment has not been billed and the Process Billable Streams concurrent program will create the billing on the appropriate date. If a Billing Date exists, the payment will be billed and a duplicate billing will not be created.

View Rebooked Contract

Once the principal paydown is completed, you can view the rebooked contract by searching for the contract in the Contracts subtab of the Origination tab. Select Payment to open the Payment page and view the details. The contract will have a new version number and the asset will have a new stub payment amount.

Convert Interest Rate

You can submit a request to convert the type of interest rate if the Conversion method is optional, the Convert by Date has not passed, and there is a value for Convert Type.

Steps

Perform the following steps:

1. In the Requests tab, select Convert Interest Rate as the Type and click New.
2. Enter the interest rate details in the Convert Interest Rate window.
3. Click Submit Request. Once submitted, a workflow initiates, which can be

configured to route the request to a user with the Contract Revision responsibility.

About the Documents Tab

The Documents tab provides you with a mechanism to send different types of documents related to leasing, to a variety of recipients. To send documents from this tab, you must set up report templates in Oracle Lease and Finance Management. To create a report template, you must first define your layout templates and data templates in Oracle's XML Publisher. After completing this step, you can pick a report template from this tab, select recipients, and a document format to send documents to one or more recipients.

Example documents include:

- Bill of sale
- Settlement letter request
- Amortization schedule
- Professional tax letter
- Credit reference letter
- Car papers
- Variable rate statement
- Purchase option information report
- Transfer and assumption confirmation sign off form
- Equipment exchange sign off form

Related Topics

[Send a Document](#), page 31-57

Send a Document

Steps

Perform the following steps:

1. Select the type of document you want to send from the list. Example, Settlement Letter Request.

2. Select a document template from the list if there is more than one associated with the document type.
3. A read-only description tied to the document template appears in the box.
4. Enter a Subject for the email.
5. Enter a name in the From field if you do not wish to accept the default of your name as the sender.
6. In the Recipients section, select one or more recipients based on the following information:
 - Recipient
 - Party Role
 - Email
7. Click the Send Document button.

About the Tasks Tab

Use the Task tab of the Lease Center to view, create, and assign tasks pertaining to a contract.

A task you create here appears in the work queue of the individual you assign as the owner of the task.

The task tab is divided into two regions. The left side presents the list of existing tasks for the contract. You can sort the list of tasks in the list by any column, and you can restrict the list to display only private tasks by selecting the Private check box. Use the right side of the tab to view the details of an existing task you selected in the list or to enter a new task.

On the Tasks tab you can:

- View Existing Task information
- Create a New Task

View Existing Task Information

You can view task-related information such as name, priority, status, number, assigned by, assign to, closed, cancelled, completed, private flag, description, and last update date.

Create a New Task

Steps

Perform the following steps:

1. From the Tasks tab, click the New button.
2. Select the type of task you wish to create.
3. Enter the name of the task.
4. Enter the customer contact for the task.
5. Enter the phone number of the contact for the task.
6. Select the priority with which the task must be executed.
7. Select the present status of the task, for e.g., in planning.
8. The default time zone of the agent appears for a new task. Select a new time zone if required.
9. Enter or select the planned start date and end date for the task.
10. Select the type of resource that needs to be assigned to the task as the owner.
11. Select or enter the name of the resource who is responsible for the task.
12. Select or enter the name of the resource who is executing the task.
13. Select or enter the name of the person doing the assignment.
Defaults to the agent when an assignment is made.
14. Check the Private box if this is a private task.
15. Enter one or more lines to describe the task.

About the Schedules Tab

The Schedules tab allows users to search for specific transactions within a time frame. Schedule types include:

- Amortization Schedule, page 31-60
- Payment Schedules, page 31-61

- Variable Rate Information, page 31-62
- Tax Schedules, page 31-62

Amortization Schedule

A customer may request an amortization schedule for loan contracts. The amortization schedule displays interest and principal amounts paid up to the current date and projected to be paid on future loan payments and principal balance as of the last date of the period.

The following conditions apply to amortization schedules:

- The amortization schedule includes amounts for asset lines only
- Interest and principal amounts shall be actual or billed amounts for the periods up to the current date and projected amounts for future periods.

The amortization schedule displays the following information:

- Actual principal and interest received up to the current date, and projected principal and interest based on the current interest rate applicable on the current principal balance for loans with the Revenue Recognition Method of Actual
- Scheduled and unscheduled principal and actual interest billed up to the current date, and projected scheduled principal and projected interest (scheduled or calculated) based on the current interest rate applicable on the scheduled principal balance for loans with a Revenue Recognition Method of Estimated & Billed
- Scheduled and unscheduled principal and interest billed up to the current date and projected scheduled principal and projected scheduled interest for loans with a Revenue Recognition Method of Streams

View Amortization Schedule

Use the follow steps to view an amortization schedule.

1. Select Amortization Schedules from the list of schedule types.
2. You can choose to generate amortization schedules in one of the following modes:
 - **Summary by Period:** amortization schedule displays the interest and principal amounts at the contract level for each payment period. The summary schedule will be generated only if the payment frequency, payment structure, and payment periods are the same across all assets on a contract.
 - **Detail:** the amortization schedule displays the interest and principal amounts at the contract level for each transaction date.

3. Click **Send Document** to print and send this document to the relevant party or send it by email or fax.

Payment Schedules

Use this function to relay information to customers regarding their schedule of payments for a specific transaction type and for a specific time frame. The following Payment Schedules tasks can be completed:

- View payment schedule information at the contract level grouped by Stream type or Fee.
- Drill down from Contract level payment schedule to Asset level payment schedule.
- View payment schedule summary details, including due dates and amounts both at contract and asset level.
- Search for specific payment schedule lines
- If a termination quote is associated to a contract, you can view the proposed payment amount
- Send payment schedule information via email by clicking Send Document

Search for Payment Schedules

Steps

Perform the following steps:

1. Select a contract.
2. Click the Schedules tab.
3. Select Payment Schedules from the Type menu.
4. Details of all the payments for a contract grouped by Stream type or fee is displayed.
5. To View schedule for specific stream type or fee, select the appropriate row. The schedule table will display the schedule with due dates.
6. To view the payment details at asset level, click Stream type link. The payment details for each asset for selected stream type is displayed with payment schedule.
7. Click Search to limit the schedule to view specific payment rows

Search criteria include:

- Schedule For - All, Contract, Asset Lines, Service Lines, or Fee Lines.
 - Payment Type
8. Click Find to view the payment schedule for the search criteria selected.
 9. Enter dates and click Find to limit your payment search to a specific time period.

Variable Rate Information

A customer or other parties may inquire as to the interest rate used to calculate their rental amount. The Variable Rate Statement provides a breakdown of rate information by date for loans and interest bearing contracts. The following are some of the scenarios that may apply:

Steps

Perform the following steps:

1. Select the start date and end date of the range of dates for which the variable rate information needs to be displayed.
2. Click Find to display the variable rate statement for the search criteria selected.
The variable rate information displays in the box on the right. Information includes:
 - The interest rate applicable for the period
 - The start date of the range of dates for which the interest rate is applicable
 - The end date of the range of dates for which the interest rate is applicable
3. Click the Send Document button to send this document to the relevant party.

Tax Schedules

Use this function to relay information to a customer regarding their Tax schedule. You can review and relay information to customers regarding the tax item in question for their schedule of payments.

The tax amount is displayed at the contract level grouped by stream type. To view schedule for each stream type, select the specific stream type.

Click Stream type to view the tax amount and tax schedule at asset level.

About the Vendor Investor Disbursement Window

A vendor or a syndication partner may request information on monies due to them for

one or more contracts. The Lease Center Agent or manager can use this function to search for a party, view summary level information of disbursements to the party and drill down to the disbursements details for the party or for a specific contract for the party.

Use this function to:

- Search for a Vendor or Investor, page 31-63
- View Disbursement Details for all Contracts for a Vendor or Investor, page 31-63
- View Disbursement Details for a Single Contract, page 31-63

Search for a Vendor or Investor

To search for a vendor or investor, you can choose from a selection of search criteria to search for a party for whom you wish to view disbursements. Search criteria includes, for example, name, invoice number, vendor name and invoice number, contract number, address, and phone number.

The search results displayed include summary level disbursement information by contract. Information fields displayed here include name, vendor number, address, contract number, number of disbursements, and total disbursements.

View Disbursement Details for all Contracts for a Vendor or Investor

Results are returned by the search for a party. Click on a specific party to get disbursement details for all contracts for that party.

Information fields displayed here includes contract number, Transaction type for the disbursement, invoice number, status of the invoice, payee name and address, payment method, amount disbursed, and date issued.

View Disbursement Details for a Single Contract

From the summary level results, click on a specific contract number to drill down into disbursement details for all parties for the contract. This action takes you to the Transactions tab of the Lease Center, where you can review disbursement details for the contract.

About the Related Contracts Tab

The Related Contracts tab provides information about service contracts that are related with the current contract.

If your current Oracle Lease and Finance Management contract has a service line that is associated with a service contract, which was created in Oracle Service Contracts, this tab enables you to see summary and detail information about the service contract.

On the Related Contracts tab, you can:

- View Related Service Contract Information, page 31-64

View Related Service Contract Information

The summary information fields for the service contract are:

- Service contract number
- Contract type
- Start and End dates of the service contract
- Status
- Description

Click on the Contract Details button to see more details about the service contract and the service contract lines.

The main fields displayed for the service contract header are:

- Service contract number
- Modifier
- Description
- Status
- Category
- Amount
- Currency
- Start, end, terminate, and renew dates for the service contract

The fields displayed for each service contract line are:

- Line number
- Status
- Name
- Start and end dates
- Line style

- Price negotiated
- Currency code
- Item description
- Termination date

About the User-Defined Attributes Tab

The User-Defined Attributes tab provides the ability to include additional contract information that cannot be entered during standard contract definition. Users can add more fields to a contract that are particular to their specific business, type of contract, or type of customer. These attributes are viewable from the Lease Center in the User-Defined Attributes tab.

From the Type dropdown menu, select the type of contract header information to be viewed, such as Billing, Equipment and Exchange, Payments, Sample Data, and Termination.

The Type dropdown menu values are configurable by users.

A new lookup type OKL_LC_USER_DEF_ATTR has been added whose lookup codes can be entered.

To create or modify any lookup types and lookup names which relate to Oracle Lease and Finance Management, you must have the Application Developer responsibility within Oracle Applications. Use the Application Object Library Lookups window (Application > Lookups > Application Object Library). For more information, see the *Oracle E-Business Suite User's Guide*.

Customer Self Service

This chapter covers the following topics:

- Overview
- Customer Self Service Prerequisites
- Customer Self Service Home
- Customer Self Service Contracts
- Customer Self Service Accounts

Overview

Oracle Lease and Finance Management Customer Self Service provides you the ability to grant customers access to their lease contract information. Customers can view and administer their lease contracts and submit requests for a variety of contract modifications. Customer Self Service also notifies you and your customers of important events in the life of a lease contract, and prompts you to take the appropriate actions.

Customer Self Service Prerequisites

Before customers can use Customer Self Service, the following setup tasks must be completed:

- Customers must be granted access to Customer Self Service.

To grant customers access to Customer Self Service, see Customer Self Service User Setup, in Define Users, *Oracle Lease Management Implementation Guide*.

- The following Customer Self Service profile options must be specified.
 - OKL: AR Payment Method for Credit Card
 - OKL: Insurance Quote Duration in Days

For information on profile options see Define Profile Options, *Oracle Lease Management Implementation Guide*.

Customer Self Service Home

Customers can perform the following tasks from the Oracle Lease and Finance Management Customer Self Service Home page:

- view notifications, page 32-2
- view and create bookmarks, page 32-2
- view and create shortcuts , page 32-2

View Notifications

The Customer Self Service Home page provides customers a list of their most important notifications and the option to view a full list of notifications.

View and Create Bookmarks

The Customer Self Service Home page lists all bookmarks created by the customer in the My List region. Bookmarks can be used as shortcuts to important lease contract information.

View Shortcuts

Customers can use Shortcuts to begin important lease contract tasks.

Customer Self Service Contracts

Customers can use the Contracts tab to search for contract related information and perform contract, quote, and insurance tasks on active, booked contracts.

Search for Contract

Customers can locate contracts by performing a list search in the **Contracts** tab of the **Customers** page. List search is a search tool that helps retrieve information quickly and easily.

Customers can perform the following steps:

1. Click **Show Filters**.

Note: Customers can hide filters by clicking **Hide Filters**.

2. Select the objects using the following filters:

- Operating Unit (mandatory field)
- Legal Entity
- Contract Number
- Customer Name
- Product
- Status: Customers can select multiple options for this filter.

Customers can also include the following additional filters to the search criteria by clicking **Add**:

- Contract Description
- Currency
- Effective From
- Effective To
- Error Transaction
- Program
- Renewal Quote Status
- Revision in Progress
- Template
- Termination Quote Status

Note: Customers can remove the additional filters from the search criteria by clicking the remove filter icon next to each additional filter.

3. Click **Go**.

The search results are displayed.

Customers can save searches by performing the following steps:

1. After selecting filters, click **Save**.

2. Perform the following actions in the **Create Saved Search** region:
 1. Enter a name for the saved search in the **Name** field.
 2. Select the **Display in Tile** checkbox to display a tile having this search's details in the **Contracts** tab.

Additional Information: Tiles display the count of search records for the defined search filters. This count can be refreshed by clicking the refresh icon present on each tile. Clicking on a tile shows the filters selected for this saved search.

3. Select the **Set as Default** checkbox to make a saved search as the default search.
4. Click **OK**.

The saved search is created.

Even if a saved search is not saved as a tile, it will be displayed in the drop down beside **Show Filters/Hide Filters**. Customers can manage saved searches by clicking **Manage Saved Search** in this drop down.

Note: Customers can disable list search using the **Disable List Search** button in **Table Diagnostics**. After disabling list search, customers can locate contracts by performing either a simple or advanced search.

A simple search includes the following parameters:

- Contract Number
- Agreement Number
- Customer Name
- Account Number
- Contract Status

An advanced search allows customers to expand or refine their search criteria.

Customers can bookmark contracts for future reference.

View Contract Details

Customers can view a lease contract's details by locating and selecting the contract. A side navigation menu on the Contracts page lists contract detail options as described in

the following table:

Contracts Page Navigation Menu

Menu Items	Information
General Information	Includes customer information, rental period, and parties to a contract
Terms and Conditions	Includes general Terms and Conditions information, billing information, interest type, purchase options, termination options, and security deposit details. Billing and invoice format change requests can be submitted.
Assets	Assets information, including asset level billing setup details, add-ons, services, insurance, return, and serial number information. Some information can be updated.
Amortization Schedule	Amortization schedule details for loans
Fees	Contract fees and payment details
Insurance	View and update insurance policy details for a contract
Insurance Quotes	Information on contract insurance quotes
Payment Schedule	Rent and other payments for a contract. Click on the Details icon to view cash flow streams, such as rent amounts over the term of a contract.
Renewal Quotes	Information on contract renewal quotes
Services	Services on a contract. If the service line is linked to a service contract, this will also be displayed.
Termination Quotes	Information on contract termination quotes

Menu Items	Information
Additional Information	Customers can view additional descriptive flexfield contract information provided the OKL: View Contract Additional Information in Customer Self Service profile option is set to Yes.

Request Billing Change

Customers can request a new Bill To Site Number in the Billing Information region of the Terms and Conditions page of the Contracts tab by clicking on Request Billing Change, entering the new Bill To Site Number, and submitting the request.

A workflow notification of your approval or rejection of the billing change request will be sent to the customer.

Request Invoice Format Change

Customers can request an invoice format change in the Billing Information region of the Terms and Conditions page of the Contracts tab by clicking on Request Invoice Format Change, selecting a New Invoice Format from the menu, and submitting the request.

A workflow notification of your approval or rejection of the invoice format change request will be sent to the customer.

Search for Assets

Customers can locate assets by performing either a Simple or Advanced Search in the Assets page of the Contracts tab. A Simple Search includes the following parameters:

- Asset Number
- Customer Name
- Account Number
- Asset Description

An Advanced Search allows customers to expand or refine their search criteria.

View Asset Details

Customers can view asset details by locating and selecting the asset. A side navigation menu on the Assets page lists the following contract detail options:

Assets Page Menu

Menu Item	Information
General Information	View asset header information, update serial numbers, and update installed location. Additional descriptive flexfield contract information can be viewed by customers provided the OKL: View Contract Additional Information in Customer Self Service profile option is set to Yes.
Add-Ons	View details about add-ons associated to an asset.
Billing	View a list of related invoices and outstanding balances associated with an asset.
Insurance	Insurance policies associated to an asset.
Return Information	View shipping instructions, contact details, and shipping addresses for an asset.
Serial Numbers	View and update serial numbers for an asset.
Services	View service and maintenance associated with an asset.

View Asset Returns

Customers can view asset return information by entering full or partial search information on the Asset Returns page to locate an asset.

Update Serial Numbers

Customers can update serial numbers for multiple units or a single unit of an asset by locating the asset, selecting Serial Numbers from the Assets page menu, entering the new serial number, and submitting the request.

When the Customer submits a request for a new serial number, you receive notification of the request and either accept or reject the request. If you accept the request, Oracle Lease and Finance Management updates the serial number and sends notification to the customer. If you reject the request, the customer will also be notified.

Update Asset Locations

Customers can update asset locations by locating the asset to be updated, selecting the asset, clicking Update Asset Location, choosing a new location from the list of values, and submitting their request.

When the customer submits a request for a new asset location, you receive notification of the request and either accept or reject the request. If you accept the request, Oracle Lease and Finance Management updates the location and sends notification to the customer. If you reject the request, the customer will also be notified.

View Insurance Details

Customers can view insurance policies associated to a customer's lease contract in the Insurance page of the Contracts tab. Customers can choose an insurance provider, enter policy details, review, and submit a policy request or update.

Related Topics

About the Insurance Tab, page 31-35

Submit Insurance Details

Customers can submit insurance policy details by selecting a contract, choosing an insurance provider, entering policy details, reviewing the insurance details, and clicking Submit. Customers can submit third party policy details only, not policies obtained through the lessor.

Submit Insurance Claim

Customers can submit claims against an insurance policy on the customer's lease contract by locating the policy, entering the claim details, and submitting the claim. When the claim is submitted, Oracle Lease and Finance Management generates a claim and sends a claim notification for you to process.

Request Insurance Policy Cancellation

Customers can cancel an insurance policy by clicking the Cancel icon in the Policies page of the Contracts tab and submitting a request for cancellation.

Search for and View Quotes

Customers can locate and view quotes from the Quotes page of the Contracts tab. Quote search criteria can be specified by quote number, contract number, and quote type. Examples of quote types are Insurance Quote, Renewal Quote, and Termination Quote.

To search for all quotes on a contract, enter the quote number and click Go.

When a quote appears in the Results region, click on the quote to view quote details.

Request Insurance Quote

Customers can request an insurance quote in the Contracts tab by selecting Insurance Quote from the Contracts tab menu, clicking on Request Insurance Quote, choosing an insurance type, entering the quote information, reviewing, and submitting the information.

Accept Insurance Quote

Once a customer has requested an insurance quote, they have the option of accepting, rejecting, or deferring a decision on the insurance quote.

When an insurance quote is accepted by the customer, Oracle Lease and Finance Management attaches the new insurance policy to the lease contract.

If the customer defers their decision on the insurance quote, the quote can be saved until it's expiration on the quote effective date. Customers can return to Customer Self Service later to accept the quote.

Request Renewal Quote

The lessor can create a renewal quote at the customer's request.

Accept Renewal Quote

Once a customer has requested a renewal quote, and you have received the notification and created the renewal quote, the quote goes back to the customer for approval. The customer has the option of accepting or rejecting the renewal quote.

Request Termination Quote

Customers can request a termination quote in the Contracts tab by performing the following tasks:

- locate the contract
- enter the quote details
- select the assets
- enter the quantity to terminate
- select the serial numbers to terminate
- review and submit the request

When the customer submits a request for a termination quote, Oracle Lease and Finance Management performs validation checking to verify that the quote recipient exists and that the lease contract's terms and conditions permit termination quotes.

If the validation fails, the customer will receive a notification of the failure. If the validation passes, the customer will be notified when an approved quote is created.

When the customer accepts the termination quote, it is updated as Accepted and processed for termination.

View Payment Schedule Details

Customers can view the lease contract payment schedule summary by clicking on Payment Schedules on the Contracts tab menu. Payment schedule details are accessed from the Details icon of the Payment Schedule page.

Update Counter Readings

Customers can view and update the history of counter readings in the Counters page of the Contracts tab by locating the counter, updating the information, and submitting an update request.

Related Topics

Billing Transactions

Customer Self Service Accounts

Once a customer has been set up to use Customer Self Service, they can use the Accounts tab to review invoices, payments, and profile information.

Customers can perform the following tasks from the Accounts tab:

- search for invoices
- view invoice details
- make a payment
- view account, contact, and site details

Search for Invoices

You can find invoices by performing a list search in the **Invoices** tab of the **Operations** page. List search is a search tool that helps retrieve information quickly and easily.

Perform the following steps:

1. Click **Show Filters**.

Note: You can hide filters by clicking **Hide Filters**.

2. Select the objects using the following filters:

- Operating Unit (mandatory field)
- Invoice Number
- Invoice Date: This field uses a range of dates.
- Invoice Due Date: This field uses a range of dates.
- Contract Number
- Customer Number
- Invoice Amount: This field uses a range of amounts.
- Contract Status
- Balance Remaining: This field uses a range of amounts.
- Invoice Currency

You can also include additional filters by clicking **Add** and selecting a filter.

Note: You can remove the additional filters from the search criteria by clicking the remove filter icon next to each added criteria.

3. Click **Go**.

The search results are displayed.

You can save searches by performing the following steps:

1. After selecting filters, click **Save**.
2. Perform the following actions in the **Create Saved Search** region:
 1. Enter a name for the saved search in the **Name** field.
 2. Select the **Display in Tile** checkbox to display a tile having this search's details in the **Invoices** tab.

Additional Information: Tiles display the count of search records for the defined search filters. This count can be

refreshed by clicking the refresh icon present on each tile.
Clicking on a tile will show the filters selected for this saved search.

3. Select the **Set as Default** checkbox to make a saved search as the default search.
4. Click **OK**.

Even if a saved search is not saved as a tile, it will be displayed in the drop down beside **Show Filters/Hide Filters**. You can manage saved searches by clicking **Manage Saved Search** in this drop down.

Note: You can disable list search using the **Disable List Search** button in **Table Diagnostics**. After disabling list search, you can find invoices by performing either a simple or advanced search.

A simple search on the **Invoices** tab includes the following parameters:

- Operating Unit (mandatory field)
- Invoice Number
- Invoice Date From
- Contract Number
- Customer Number
- Invoice Date To

An advanced search allows you to expand or refine their search criteria.

Related Topics

About the Account Tab, page 31-20

View Invoice Details

Customers can view invoice details from the Invoice page of the Accounts tab after locating an invoice, by clicking on the specific invoice to open the Invoice Details page. The Invoice Details page displays invoice header information, customer details, invoice lines, and a list of payments made for an invoice.

Make a Payment

Customers can make payments against their outstanding invoices using credit card or

bank account transfer. Oracle Lease and Finance Management integrates with Oracle Payments for payment authorization.

To make payments, click Make Payment link provided on the Customer Self Service Home page or search for the invoice and click Make payment on the Invoice result table.

If customer want to Make payment against invoice lines, then navigate to invoice details, select the invoice lines and then click Make payment on the Invoice Details page.

To make a payment perform the following steps:

1. Select an invoice against which the payment is to be made. This step is required only when you navigate from the home page.
2. Oracle Lease and Finance Management defaults the amount remaining for the selected invoice as a payment amount. You can update the payment amount.
3. You can enter the payment date and select the payment method. If you select the credit card as payment method, then select credit already associated to the payment setup or create a new credit card detail. If the payment method is Customer Bank Account Transfer, then select the bank account associated to the payment setup or create a new bank account detail.
4. On Review and Submit Payment Details page, Oracle Lease and Finance Management displays invoice details, payment amount, payment method and credit card or bank account details to the customer. Click Finish to review the details and make payment.
5. Oracle Lease and Finance Management processes the payment based on payment method setup. On successful processing it creates receipt and receipt applications.

Note: The receipt method for the receipt is derived based on the default receipt method associated to selected payment method. You can set up the default receipt method for credit card and bank account transfer at an operating unit level.

See: Define Payment Method, *Oracle Lease Management Implementation Guide*

Search for Payments

Customers can locate payments by performing either a Simple or an Advanced search from the Payments page of the Accounts tab. A Simple search includes the following parameters:

- Payment Number
- Payment Status

- Invoice Number
- Currency
- From and To Payment Date

An Advanced search allows customers to expand or refine their search criteria.

View Payment Details

Customers can view payment details from the payment page of the Accounts tab, click on the specific payment to open the payment page. The payment Details page displays payment header information, balances and application details.

View Account, Contact, and Site Details

Customers can view account, contact, and site details in the Profile page of the Accounts tab. The Profile page displays general account information, a list of contacts, installed locations, and sites. More site level information is accessible from the Details icon in the Site region.

Related Topics

About the Account Tab, page 31-20

Part 11

Investor Agreements

Investor Agreements

This chapter covers the following topics:

- Investor Agreements Overview
- Pools
- Investor Agreements
- Transactions
- Specific Loss Provision of Investor Agreements
- Viewing Accounting Transaction
- Disbursement Processing
- Investor Agreements for Fixed Pool Type
- Investor Management Field References
- Stream Types in Investor Agreements
- Securitization and Investor Management
- Frequently Asked Questions About Investor Agreements

Investor Agreements Overview

As a lessor, you are likely to want to sell some of your contracts and revenue streams to investors. Investor agreements allow you to manage syndication and securitization from a lessor's perspective. When you activate an investor agreement, Oracle Lease and Finance Management completes transactions and account processing on the contracts. Leasing companies fund leased equipment in different ways.

The following list summarizes the basic functions in investor agreements.

Syndication

You can fund the equipment with your own capital, borrow funds from a lender, or

share the cost of the equipment with investors. Syndication is the business where finance organizations face the situation of a finance amount (loan or lease) that is greater than what they can afford, such as big tickets like leasing airplanes or petroleum equipment. They may either lack the funds or may not want to accept risk for the entire deal. To acquire necessary funding or to spread the risk, lessors gather more than one investor or bank to finance the deal. In every syndicated loan there is always one managing company, typically a bank, that controls communications and logistics and collects additional service fees. In a syndication, each individual investor can be priced differently, meaning each would have its own rate of return and is individually at risk and could have different levels of servicing fees.

Investor agreements contain terms and conditions under which investors participate in lease contracts. Large contracts may involve syndications, where investors fund parts of the contract to spread risk. Investor agreements may group contracts in pools to sell their future cash flows.

To define a syndication under Investor Agreements:

- Associate one contract to a pool.

Securitization

Securitization is used by financiers to pool a set of contracts of the same nature, term, and risk rating. They breakdown the pool into shares and sell the shares in a security to investors. Financiers generally turn unrealized profit spread over time into current realized earnings, shorten the ROI period, and raise more funds to continue running their business. Securitization is a common practice in the mortgages and other long-term portfolio businesses.

In leasing scenarios with investors, the lessor sells the anticipated revenue streams and, in return, investors share the burden of the equipment purchase. This arrangement benefits lessors because investors share the risk of the deal, and the initial cost of the asset is recovered. Investors may benefit by sharing the earnings of the lease transactions and earning a higher rate of return.

To define a securitization under Investor Agreements:

- Associate multiple contracts to a pool.

Both Syndication and Securitization

To define both a syndication and securitization:

- Associate the pool to an investor agreement.
- Define the investors and their share of the future cash flows on the investor agreement.
- Process contract transactions and generate related investor disbursements.

- Configure the accounting for contracts associated with an investor agreement differently than contracts not associated with investor agreements.
- Process income recognition for contracts including adjustment of income for the sale of future receivables or participation.
- Create loss provisions for investor agreements.
- Define Buy Back conditions for investors' future cash flows.
- Terminate investor agreements.

Type of Contracts

The type of contracts that can be attached to an Investor Agreement are Fixed Rate Lease and Fixed Rate Loan. Oracle Lease and Finance Management allows Fixed rate Lease and Fixed Rate Loan contracts to be added to a pool. Currently, Variable Rate Contracts are not supported in Investor Agreement.

Implementation Prerequisites for Investor Agreements

Investor Agreements Prerequisites

The following table lists prerequisites for investor agreements.

Oracle Lease and Finance Management Implementation Prerequisites

Task	Reference Sections (primarily in Oracle Lease Management Implementation Guide)
Set up rate for general loss provision.	Set up Loss Provision Rates, <i>Oracle Lease Management Implementation Guide</i>
Set up streams for loss provisions.	Define Stream Types, <i>Oracle Lease Management Implementation Guide</i>
Set up financial products to be associated with accounting templates to define the accounting for investment agreements.	Define Financial Products, <i>Oracle Lease Management Implementation Guide</i>

Task	Reference Sections (primarily in Oracle Lease Management Implementation Guide)
Set up an investor agreement accounting template set.	Define Lease Accounting Templates, <i>Oracle Lease Management Implementation Guide</i>
Use the seeded transaction type, Investor.	
Define investor accounting code.	Define Account Generator, <i>Oracle Lease Management Implementation Guide</i>
Define formula for buy back.	Define Formulas, <i>Oracle Lease Management Implementation Guide</i>
Define the investor transaction type in Oracle Receivables.	Define Transaction Types, <i>Oracle Lease Management Implementation Guide</i>
Set up the investor invoice grouping rules OKL_INVESTOR_GRP_RL in Oracle Receivables.	Set Up Grouping Rules for Invoices, <i>Oracle Lease Management Implementation Guide</i>
Define OKL_INVESTOR transaction source in Oracle Receivables.	Define Transaction Sources, <i>Oracle Lease Management Implementation Guide</i>
Define line transaction flexfield structure for investor agreements.	Define Line Transaction Flexfield Structure, <i>Oracle Lease Management Implementation Guide</i>
Define Aging Buckets.	Define Aging Buckets, <i>Oracle Lease Management Implementation Guide</i>

Set Up Accounting Templates for Investor Agreements

Set up accounting templates for association with the investor product for the following events and processes:

- Investor Agreement Activation
- Billing
- Disbursement
- Accrual

The accounting template for investor accrual adjustment is set up on the accounting template set related to the contract.

See: Define Lease Accounting Templates in the *Oracle Lease and Finance Management Implementation Guide*.

Investor Agreement Activation

When you create the accounting template for the investor agreement activation process, use the seeded transaction type, Investor. In addition, you may want to create your own accounting lines for the following purposes:

- Create an investor stake using the stream type of the purpose Investor Receivables and the formula Investor Investment.
- Create an accrual adjustment using the stream type of the purpose Investor Rental Accrual/Investor Pre-tax Income/Investor Interest Income and the formula Investor Accrual.

Billing

Billing transactions apply to payments from the investor. When you create the accounting template for billing processes, use the seeded transaction type, Billing.

Disbursement

Disbursement transactions apply to payments to the investor. When you create the accounting template for disbursement processes, use the seeded transaction type, Disbursement.

Accrual

Set up an accounting template for investor accrual adjustments in the accounting template set associated with the product of the contracts whose streams are securitized. Create accounting templates for accrual adjustment using the stream type of the purpose Investor Rental Accrual/Investor Pre-tax Income/Investor Interest Income.

Pools

Pooling contracts with their asset streams allows you to group receivables into financial instruments that are sold to investors.

You must select whether the pool is of type **Fixed** or **Percent**. If the pool type selected is **Percent**, the pool may contain one contract only. If the pool type selected is **Fixed**, you may add multiple contracts. For additional information on fixed pool types, refer to Investor Agreement for Fixed Pool Type, page 33-27.

The basic concepts for using pools in investor agreements are the following:

- Group one or more lease and loan contracts into a pool
- Define the future cash flows to be included in the pool:
 - cash flows during the base term of the contract (Rent, Advance Rent, Interim Rent, Principal payment, Interest payment), or

- cash flows associated with the asset value at the end of the base term (residual)
- Add or remove contracts or cash flows before the pool is activated. A pool becomes activated when its related investor agreement is activated.
- Reconcile pool contents. This is the process to remove ineligible contracts from the pool before activating the agreement.
- Update pool contents based on the current contract status and recalculate the pool values.

After activating the investor agreement, you can perform transactions on the contract, such as rebooking or termination. When you initiate transactions, such as a buy back, on the pool, Oracle Lease and Finance Management will automatically account for the transactions based on terms and conditions.

To terminate an investor agreement pool elements must be disbursed to investors.

The main topics in this section are:

- Group Receivables Into Pools
- Create a Pool
- Add Contents to a Pool
- Clean Up a Pool
- Pool Transactions

Group Lease Receivables Into Pools

Stream Subclasses

Oracle Lease and Finance Management includes three seeded stream subclasses, which you cannot modify:

- Rent, includes: rent, advanced rent, and interim rent stream purposes
- Residual: residual value stream purposes
- Loan Payment includes : Principal payment and Interest payment

Streams with subclasses of Rent, Residual, and Loan Payment can be included in the pool.

The first step is to create a pool of the expected revenue streams on one or more booked contracts.

Note: You can run concurrent programs to calculate and recalculate the pool principal amount and asset net investment, and to reconcile the pool contents when eligibility of streams have changed due to operations on the contract. See Concurrent Programs, page B-2.

Create a Pool

In this process, you create a pool and select the currency for the pool.

Prerequisites

None.

Steps

Perform the following steps using the Pools page:

1. Click Create. The Create Pool page opens.
2. Select the operating unit.

Note: The list of values includes operating units assigned to the MO: Security profile.

Additional Information: The application displays the selected operating unit as the default in the subsequent pages irrespective of the value that you set for the MO: Default Operating Unit profile option.

The selected operating unit restricts the valid list of values in applicable fields.

3. Select a legal entity to identify the first party on the agreement.

Note: Contracts with the selected legal entity become part of the pool.

4. Enter a number for the pool. It can be any format, but must be unique.
5. Select the currency for the pool.

Optionally, enter a short description, which appears in results of pool searches, and a more detailed description.

6. Select the Display in Lease Center check box if you want to view pool and investor agreement details in the Contract region of the Lease Center.

Note: The Display in Lease Center check box can be selected or deselected, even when the pool has a status of Active.

7. Click Apply to create the pool and add details later.

Now you can add lease contract streams to the pool.

Search for Pools

You can find investor pools by performing a list search in the **Pools** tab of the **Investors** page. List search is a search tool that helps retrieve information quickly and easily.

Perform the following steps:

1. Click **Show Filters**.

Note: You can hide filters by clicking **Hide Filters**.

2. Select the objects using the following filters:

- Operating Unit (mandatory field)
- Pool Number
- Short Description
- Serial Number
- Status
- Last Update Date

You can also include additional filters by clicking **Add** and selecting a filter.

Note: You can remove the additional filters from the search criteria by clicking the remove filter icon next to each added criteria.

3. Click **Go**.

The search results are displayed.

You can save searches by performing the following steps:

1. After selecting filters, click **Save**.

2. Perform the following actions in the **Create Saved Search** region:
 1. Enter a name for the saved search in the **Name** field.
 2. Select the **Display in Tile** checkbox to display a tile having this search's details in the **Pools** tab.

Additional Information: Tiles display the count of search records for the defined search filters. This count can be refreshed by clicking the refresh icon present on each tile. Clicking on a tile will show the filters selected for this saved search.

3. Select the **Set as Default** checkbox to make a saved search as the default search.
4. Click **OK**.

Even if a saved search is not saved as a tile, it will be displayed in the drop down beside **Show Filters/Hide Filters**. You can manage saved searches by clicking **Manage Saved Search** in this drop down.

Note: You can disable list search using the **Disable List Search** button in **Table Diagnostics**. After disabling list search, you can find investor pools by performing either a simple or advanced search.

A simple search on the **Pools** tab includes the following parameters:

- Operating Unit (mandatory field)
- Pool Number
- Short Description
- Status
- Last Update Date

An advanced search allows you to expand or refine their search criteria.

Change Pool Descriptions

After creating a pool, you can modify the descriptions.

Prerequisites

You must have created a pool, and have a current pool in context.

Steps

Perform the following steps in the Pools page:

1. In the Pool Number field, enter your pool number or name search string, and click Go.
2. In the Results region, click the hyperlink of the pool that you want to edit.
The Pool details page appears, with several read-only fields in the header.
3. Click Update to modify applicable details.
4. Click Apply.

Add Contents to a Pool

After creating a pool, add cash flows of one or more booked contracts, which can be for a variety of fixed rate lease contracts and fixed rate loan contracts.

Prerequisites

You must have created a pool, and have a current pool in context.

- Oracle Lease and Finance Management requires basic eligibility criteria for contracts to be added to a pool. Contracts must:

1. Have Assignable selected in the contract header.

Be sure the contracts you plan to add to a pool have contract status Booked, and their contract header attribute must be Assignable.

Note: The Assignable check box is displayed during authoring a contract. See Create a Contract, page 10-3.

2. Conform to the following requirements. Each contract must
 - *not* be in delinquent status in Oracle Collections.
 - *not* be variable rate contracts.
3. Have the same Currency as the pool.
4. Have the same Legal entity as the pool.

Steps

Perform the following steps:

1. On the Add Pool Contents page, enter criteria for selecting contracts that you want to add to this pool. For example, leave the Customer and Contract regions fields empty. In the Streams region, enter January 31, 2004 to January 31, 2004; Stream Subclass Rent; from May 1, 2004 to May 31, 2004. Then click Submit.

This generates a request to run the concurrent program, Add Pool Contents.

2. Navigate to Processes > View Requests, select the request number, and click Submit.
3. On the View Request page that appears, click View Log.

This report displays the contracts that Oracle Lease and Finance Management added to this pool, in the upper section of the page. The lower section of the page lists contracts that have met the eligibility criteria that you entered, but Oracle Lease and Finance Management could not add to the pool because they did not meet the prerequisites.

Oracle Lease and Finance Management also lists the reasons that otherwise eligible contracts were not added to the pool, for each contract.

Streams with subclasses of Rent, Residual, and Loan Payment can be added to a pool.

At the bottom of the page are the criteria that you entered.

See Add Pool Contents Field References for selected field references.

After you view the report, go to Pool Clean Up to further refine your pool contents by deleting any undesired contracts.

Search for Pool Contents

You can view all the contracts that have asset streams that have been added to a pool.

Prerequisites

You must have created a pool, have some contents in the pool, and have a current pool in context.

Steps

Use the Contents tab on the Pool details page to perform either a simple search or an advanced search. To perform an advanced search, go to Step 2.

1. To perform a simple search, enter or select one or more of the following criteria:
 - Customer Name
 - Contract Number
 - Stream Type Subclass

- Stream Start Date range
Click Go, then skip to Step 3.

2. Click the Advanced Search button.
3. The Results region displays the following fields for each asset stream in the pool:
 - Contract Number
 - Asset Number
 - Lessee
 - Stream Type Subclass
 - Stream Type
 - Total Amount

Note: The fields are display-only.

4. You may click the Details icon to display the details, such as Due Date, Date Billed, and Amount, for each stream element.

Clean Up a Pool

Perform the following steps:

1. Query the pool using the Pools page.
2. Click the Clean Up Pool Contents icon in the results area.

The Clean Up Pool Contents page for the applicable pool appears. On this page you can remove pool contents by clicking Generate Report to run the concurrent program, Clean Up Pool Contents.

Review the report to confirm the proposed changes that you want to make. Then return to the Clean Up Pool Contents page to again select eligibility criteria and remove pool elements according to the criteria you selected.

3. You may proceed directly to the Clean Up stage, which will remove the pool contracts that satisfy your search criteria. You are strongly advised, however, to perform the procedures in the specified order. This enables you to see the contracts that you will be removing from the pool, before you actually remove them.

Generate Report

1. Enter criteria for selecting contracts that you want to remove from the pool.
2. Click the Generate Report button.

This submits a request to run the concurrent program Clean Up Pool Contents. A message appears on the Pool Clean Up page, showing the Concurrent Request Number.

The report will appear as the output of the Clean Up Pool Contents program.
3. To see the output of the Clean Up Pool Contents program, see Run Concurrent Programs and View Reports In Oracle Lease and Finance Management, page B-1.
4. The report shows which correct contract, asset, and stream elements will be changed or removed, using the simple or advanced search criteria that you specified in the Pool Clean Up page.
5. Continue to clean up. Or you can go back and enter a different set of eligibility criteria.

Clean Up

If you have confirmed that the correct pool elements will be removed according to the criteria selected earlier, and you have not changed the search criteria, click Submit.

This submits a request to run the concurrent program Clean Up Pool Contents, and to remove or change the pool elements that satisfy your search criteria. A message appears on the Pool Clean Up page, displaying the Concurrent Request Number. See Concurrent Programs., page B-1

Pool Transactions

Use After Investor Agreement Activation

You can view changes made to a pool of contract streams, after an investor agreement has been activated. See Activate The Agreement. The pool transaction options are: Add, Remove, and Replace.

Prerequisites

You must have an activated investor agreement in context.

Steps

Perform the following:

1. Query the pool number using the Pools page.

2. Click the pool number hyperlink in the results area.
3. Use the Transactions tab on the Pool details page of the applicable pool to view to the pool transactions.

The following table displays the transactions that can occur on a contract in a pool, and the subsequent transaction that occurs in the pool.

Contract to Pool Transactions

Transaction on Contract	Subsequent Pool Transaction
Rebook	Replace
Termination	Remove
Asset Split	Replace
Contract Re-Lease	Replace
Asset Re-Lease	Replace
Asset Disposal:	Remove
<ul style="list-style-type: none"> • Purchase • Re-purchase • Scrap • Remarket 	
Principal Paydown	Replace

The following table displays the transactions that can occur on an investor agreement, and the subsequent transaction that occurs in the pool.

Investor Agreement -to- Pool Transactions

Transaction on Investor Agreement	Subsequent Pool Transaction
Activation	Add

Transaction on Investor Agreement	Subsequent Pool Transaction
Buy Back	Remove
Terminate	Remove

Investor Agreements

An investor agreement in Oracle Lease and Finance Management includes the following:

- Contracts and their future cash flows sold to investors.
- The investors who have purchased a share of the future cash flows, and their respective shares.
- Conditions and events on contracts that will generate disbursements to investors.
- Terms and conditions for generating payment invoices to investors.
- Special accounting requirements for contracts associated with the agreement.
- The basis for buying back future cash flows from investors.

When an agreement is activated, Oracle Lease and Finance Management:

- Bills investors for their investor stake.
- Performs Quality Assurance checks to confirm compliance with the agreement.
- Generates streams for managing:
 1. Disbursements
 2. Income adjustments
 3. Investor Agreement

The main topics in this section are:

- Create an Investor Agreement
- Investors
- Terms and Conditions

- Activate The Agreement

Create an Investor Agreement

Prerequisites

Set up a Pool. Pool Number is a required field on an investor agreement.

Set up the parties, including the Trustee (often a vendor who acts as trustee for the investor agreement).

Steps

To create an investor agreement, perform the following steps:

1. In the Investor Agreements page, click Create.

The Create Investor Agreement page appears.

Note: Oracle Lease and Finance Management derives the legal entity from the pool.

2. Select the operating unit.

Note: The list of values includes operating units assigned to the MO: Security profile.

Additional Information: The application displays the selected operating unit as the default in the subsequent pages irrespective of the value that you set for the MO: Default Operating Unit profile option.

The selected operating unit restricts the valid list of values in applicable fields.

3. In the Agreement Number field, enter an agreement number.
4. In the Trustee field, select a trustee for the investor agreement from the list of values.
5. In the Product field, select a financial product from the list of values.
6. The read-only Type field is populated with Securitization or Syndication. The value is derived from the quality value of the quality Investor for the financial product selected above.

Note: The investor agreement type, whether Securitization or Syndication, appears on the Investor Details page when you assign the pool associated with the contract to an investor agreement.

7. In the Pool number field, select a pool number from the list of values.
8. Specify the currency conversion details for the investor agreement.
9. Enter the period during which the investor agreement is effective.
10. Specify the date by when the investor agreement must be approved.
11. Select an applicable recourse option.
12. In the note field, enter a note.
13. Click Apply to create an investor agreement and add details later.

Search for Investor Agreements

You can find investor agreements by performing a list search in the **Investor Agreements** tab of the **Investors** page. List search is a search tool that helps retrieve information quickly and easily.

Perform the following steps:

1. Click **Show Filters**.

Note: You can hide filters by clicking **Hide Filters**.

2. Select the objects using the following filters:
 - Operating Unit (mandatory field)
 - Agreement Number
 - Pool Number
 - Product Name
 - Status
 - Effective From
 - Effective To

You can also include additional filters by clicking **Add** and selecting a filter.

Note: You can remove the additional filters from the search criteria by clicking the remove filter icon next to each added criteria.

3. Click **Go**.

The search results are displayed.

You can save searches by performing the following steps:

1. After selecting filters, click **Save**.
2. Perform the following actions in the **Create Saved Search** region:
 1. Enter a name for the saved search in the **Name** field.
 2. Select the **Display in Tile** checkbox to display a tile having this search's details in the **Investor Agreements** tab.

Additional Information: Tiles display the count of search records for the defined search filters. This count can be refreshed by clicking the refresh icon present on each tile. Clicking on a tile will show the filters selected for this saved search.

3. Select the **Set as Default** checkbox to make a saved search as the default search.
4. Click **OK**.

Even if a saved search is not saved as a tile, it will be displayed in the drop down beside **Show Filters/Hide Filters**. You can manage saved searches by clicking **Manage Saved Search** in this drop down.

Note: You can disable list search using the **Disable List Search** button in **Table Diagnostics**. After disabling list search, you can find investor agreements by performing either a simple or advanced search.

A simple search on the **Investor Agreements** tab includes the following parameters:

- Operating Unit (mandatory field)
- Agreement Number
- Pool Number

- Status
- Product
- Effective From
- Effective To

An advanced search allows you to expand or refine their search criteria.

Investors

Many of the terms and conditions for investor agreements are defined as you provide them on these pages for each investor. For each investor, you enter the amount of the investor's stake, as well as important details of the revenue distribution, such as disbursement and revenue share.

The invoice is generated against each investor for the investor stake amount upon activation of the investor agreement. Investors then receive money as disbursements.

Prerequisites

Select an investor agreement that has not yet been activated.

Steps

Perform the following steps:

1. Query for the investor agreement that you want to add investors to.
2. Click the investor agreement hyperlink in the results area. The Investor Agreement details page opens.
3. Click the Investors subtab and click Add Investor. The Add Investor page opens.
4. Enter the required information, which includes the investor, amount of investor stake, and payout details.
5. Click Apply.

Click the Investors subtab again. The investor you added appears on the Investor Agreement details page, along with this investor agreement status, investment date, and amount of investor's stake.

Adding Investors

If there is more than one investor on this agreement, again click Add Investor.

Repeat these steps for each investor on the agreement.

Investor Details

On the Investor Agreement details page in the Investors subtab, click on an investor. Use the Investor details page to provide investor disbursement and revenue share details. Be sure to complete both steps.

You may navigate back and forth between the Investor Disbursement and the Revenue Share subtabs for each investor to make modifications, as long as the investor agreement is not yet activated.

Click Update to save your changes.

Disbursements

Click Investor Disbursement in the Investor details page. See Investor Disbursement Details Field References. Enter or select the required information. Then click Update.

The value that you select for Payment Terms is the terms of the disbursement that will be invoiced in Oracle Payables. For more information see the *Oracle Payables User Guide*.

Assuming your entries pass the validation checker, you will receive a Successfully Processed confirmation message. If not, go back and fix your entries according to the indications of any error messages.

Return to the Investor Details page (for example, click on the hypertext link that is the name or number of this investor) and complete the Revenue Share details.

Revenue Share

Return to the Investors page (for example, click on the hypertext link that is the name or number of this investor) and click the Revenue Share subtab. The Investor Revenue Share Page is displayed.

- Click Update.
- Click Ad Revenue Share.
- Search by stream type subclass. Click Go.
- Select the applicable stream type subclasses.

Note: Late charge and Late interest are mandatory. Loan Payment is mandatory if the pool contents have Fixed rate Loan contracts and Rent and Residual are mandatory if Fixed rate lease contracts are part of the pool contents.

- In the Share Percent fields, enter the percentage of the appropriate revenue stream in which the investor receives a share of the revenues.

The combined share of all investors for each of these Stream Type Subclasses cannot exceed 100 percent. If the total is less than 100 percent, the balance is the lessor's share.

- Click Apply and return to the Investor Agreements page.

Fees

You can attach a fee for an investor agreement applicable to each investor. The fee could be either an Expense fee or an Income fee.

Expense Fee: You can define the Expense fee as a one-time fee. Specify the amount and the period for which the accrual of the expense fee is to be done. The expense fee can be disbursed to the investors once the agreement is activated.

Income Fee: You can define the Income fee as a one-time fee or a periodic fee. For a periodic income fee, define the payment schedule and bill the investors accordingly.

Steps:

1. Navigate to the Investor Agreement page.
2. Click the agreement number.
3. Select the Investors tab.
4. Select an investor.
5. Click the Fees tab.
6. Select Expense or Income from the Create list and click Go.
7. If your selection was Expense then enter the details as described in the Create Fee Expense Field Descriptions, page 33-22 table.
8. If your selection was Income then enter Fee, Total Income Amount, Effective From, and To date. Click Apply. The Fee is created with the Fees tab highlighted on the Investor page.
 1. Click Update.
 2. Click Create on the Update Fee page.
 3. Enter the details as described in the Fee Payments Field Descriptions, page 33-22 table.
9. On activation of the Investor Agreement, the streams for Expense and Income Fee are created for Billing and Accrual.

Query Streams

To query the streams after activation, follow these steps:

1. Click Stream Details.
2. The expense and income fees are displayed.
3. Click Stream Details to view the Billed and Accrued streams.

The following table describes the fields on the Create Fee Expense page.

Create Fee Expense Field Descriptions

Field or Button	Description
Fee	
Effective From	The date from which the expense fee is effective.
Effective To	The date until which the expense fee is effective.
Total Expense Amount	Total Expense Amount.
Number of Periods	Number of periods.
Amount per Period	Amount per period.
Frequency	Frequency of the payment; Annual, Monthly, Quarterly, and Semi-Annual.

The following table describes the fields on the Fee Payments page.

Fee Payments Field Descriptions

Field or Button	Description
Stub Days	
Stub Amount	
Periods	Fee payment period
Payment Amount	Total fee payment amount

Terms and Conditions

The Terms and Conditions subtab in the Investor Agreement details page lists three seeded terms and conditions that contain values that are relevant to processing investor agreement transactions:

- Buy Back
- Disbursement Setup
- Special Accounting

These three terms and conditions contain seeded values or values previously entered during the implementation process. For example, the formula for Buy Back is INVESTOR_BUYBACK. You can modify this formula, however, for each investor agreement.

Prerequisites

Select an investor agreement that has not been activated.

Steps

Use the Terms and Conditions subtab on the Investor Agreement details page to complete this procedure. For field descriptions, see Terms and Conditions Field References.

1. Query the applicable investor agreement using the Investor Agreement page.
2. Click the investor agreement hyperlink in the results area. The Investor Agreement details page opens.
3. Click the Terms and Conditions subtab.
4. Click Update. The Buy Back Formula field is displayed. Click the flashlight icon next to the empty field. The Formula Name list for Oracle Lease and Finance Management is displayed. Select the appropriate formula for Buy Back. The Buy Back Formula field is displayed again, this time with the selected formula name entered in the field. If necessary, modify the formula to meet your requirements, and then click Apply.
5. Click Terms and Conditions again. Click Update. The required fields Payment Basis and Payment Event are displayed. Click Apply when you have made your selections.
6. Click Terms and Conditions again. Click Update. In the Special Accounting field, the accounting agreement code is displayed.

Activate The Agreement

After you have created an investor agreement and set up the investors and their disbursements and revenue shares and fees, you are ready to activate the investor agreement.

When you activate an investor agreement, Oracle Lease and Finance Management:

1. Generates billing transactions for each investor with the stake recorded.
2. Generates streams:
 - Disbursement basis streams.
 - Income adjustment streams, on the contracts.
 - Present value of streams in the pool for accounting.
 - Investor Fees streams for expense and income fees for billing and accrual on the Investor agreement.
3. Generates Investor Agreement accounting:
 - For all templates having transaction type Investor.
 - For the amount to be calculated by solving the formula on each accounting template.

Prerequisites

You must have an investor agreement set up and ready to be activated.

Steps

Perform the following steps using the Investor Agreement page:

1. Search the investor agreement that you want to activate and click Activate.

The top of the Activate Investor Agreement page contains read-only investor agreement information, including agreement number, description, and status.

The Validation Checklist will appear to inform you of any required steps that you may have missed in your investor agreement creation process. Go back and correct these, then return to the Investor Agreement page and click Activate again for the applicable investor agreement.

When the validation is successful, the Validation Checklist page displays the status for the investor agreement as Active.

After you have activated an investor agreement, subsequent pool transactions are

displayed on the Pool Transaction page.

Transactions

In addition to the investor agreement transactions described in this section, you can view pool transactions using the Pools menu. See Pool Transactions.

Add Contracts

Prerequisites

You must have an activated investor agreement.

Steps

1. Navigate to the Add Contracts page.
2. Select an active investor agreement number from the list and click the "+" icon in the Add Pool Contents column.
3. On the Add Pool Contents page, specify the Eligibility Criteria as required.
4. Click Submit. A concurrent process is initiated for adding the streams in the pool according to the criteria specified and the system assigns a concurrent request number.
5. Click Go to see the new contract.

Contract Workflow Information

Status: When you add a new contract, the status is New. The other statuses are Pending Approval, Approved, and Completed.

Value of Streams: Shows the total value of the stream already in the investor agreement.

Details: Shows the complete contract detail and the streams added and also displays the total value of new streams that are proposed to be added.

Cleanup: Allows you to clean up the contents of the pool that is being added by specifying the criteria. You can only clean up the contracts that are proposed to be added to the investor agreement.

Investor Stake: Allows you to update the investor stake that is to be billed to the investor.

Approve: Initiates an approval workflow for the Add contracts process.

Cancel: Lets you cancel the Add contracts request. You can only cancel the Add contracts request when the status is New or Approved.

Submit: Submits the Add contract process through a concurrent process and the status changes to Complete when the request is successful.

Viewing Receivable or Payable Invoices

Use the Receivable Invoices and Payable Invoices pages to view receivable or payable invoices. Select an invoice by entering or searching by invoice number, investor agreement name or number, investor name, or the invoice date range. Then click Go.

Buy Back Streams

Use the Buy Back Streams page to view buy back transactions. Perform the following:

1. Select the contract to be bought back and click Go.
2. The contract will get listed if its part of an active investor agreement.
3. Click on the Buy Back streams option on the contract for which you intend to do the buyback.
4. Select the streams that need to be bought back and click on Buyback. This initiates a process and the streams are bought back.
5. Select the contract to be bought back and click Go.

You can view the Buyback transaction in the Pools tab. Query for the pool to which the contract was associated. Click on the pool number and go to the transactions tab and query for the contract number.

Note: A bought back contract can be added to a new pool or to a existing active pool by using the Add contracts option also.

Specific Loss Provision of Investor Agreements

Prerequisites

You must have an activated investor agreement.

Steps

1. Use the Loss Provisions page to create a specific loss provision for an active investor agreement.
2. Click Create to open the Create Specific Loss Provision page.

3. Enter the required fields and click Apply. See: Create Specific Loss Provision Field References.

Viewing Accounting Transaction

To view accounting transaction for activation of an investor agreement, navigate to the Accounting Transactions page and search transactions by investor agreement number, transaction type, accounting status, or sources criteria.

Disbursement Processing

There are two concurrent programs that you must run to process disbursements to investors. The first program is specific to investor agreements and is part of Oracle Lease and Finance Management. The second is an Oracle Payables concurrent program.

Steps

To process disbursement, perform the following steps:

1. In Oracle Lease and Finance Management, run the following concurrent programs: Create Investor Invoice Disbursements, Pay Invoice Prepare for AP Transfer, and Pay Invoices Transfer to AP Invoice Interface.
2. In Oracle Payables, run the Payables Open Interface Import Program.

For more information on disbursement processes, see Disbursements; see documentation for Oracle Payables; and see Concurrent Programs.

Investor Agreements for Fixed Pool Type

This section describes the process for creating investment agreements of fixed pool types.

Create a Pool

For investor agreements of fixed pool type, you can create a pool by uploading the pool data or by using the application.

Upload Pool Data

You can create a pool by uploading the pool data. The steps for uploading the pool data are:

1. Import pool data

2. Upload pool data
3. Override amounts and disbursement rates
4. Override other contents of the pool
5. Review pool

You can upload the pool data from an interface table in the application. You can upload the following pool data using this feature:

- **Action Type:** This value should be **New**. The value **New** is applicable only when creating a pool.
- **Pool Type:** This value should be **Fixed**.

Note: This is the only pool type supported for pool upload.

- **Streams:** Streams that are included in syndication can be uploaded.
- **Syndicated amounts:** Syndicated amounts, that is, disbursable amounts can be uploaded.
- **Disbursement dates:** Disbursement dates associated to syndicated amounts can be uploaded. A disbursement date can be any day in the same calendar month of the underlying stream.
- Other pool data such as residual guarantee, default dates, default percent, DFFs can also be uploaded.

After the pool is saved, it becomes eligible for selection in an Investor Agreement (IA).

All the data is entered at the contract, stream type and the calendar month level.

Contract level data is prorated to assets based on relationship of asset rent to total rent for the calendar month.

Create Pool Using the Application

You can create a pool online by using the application. The steps for creating a pool using the application are:

1. Create a pool.
2. Search and select streams.
3. Define syndication amounts in pools.

Create an Investor Agreement

The following are the steps for creating an investor agreement of fixed pool type:

1. Create an investor pool.
2. Select the pool.
3. Select investor agreement type as **Fixed**.
 - **Payment Event:** When the investor agreement type is fixed, the menu option **Due Date** is defaulted into the investor agreement. It defines the eligibility of the disburseable amounts in a calendar month.
 - **Payout Basis:** When the investor agreement type is fixed, the menu option **Due Date** is defaulted into the investor agreement. You must define the day of the month on which the eligible streams are to be disbursed. Valid disbursement day values are 1 to 31.
4. Define additional attributes of the investor agreement. These attributes include:
 - Discount Rate
 - DFFs
5. Define investor.

Note: Only one investor is allowed if the pool type is **Fixed**.

6. If exceptions are required, enter them and proceed to the next step.

Note: Exceptions include **Contract**, **Asset**, **Stream** and **Due Date**.

If exceptions are not required, proceed to the next step.

7. Validate investor agreements

The **Disbursement Elements** tab in the **Investor** page displays syndication contents at the stream element level. You can search for syndicated amounts, that is, the disbursements elements in this tab. You can view and/or update them. Before activation, the investor elements must be validated. The following validations should also be met for fixed pool type:

- The **Payment Event** and the **Payout Basis** must be **Due Date**.
- The same billable stream element cannot be present in more than one active

investor agreement.

- If a contract is in an active investor agreement with pool type fixed, it cannot be in an active investor agreement with pool type percent even if the streams in the pools do not overlap.

The investor agreement of fixed pool type will be created.

Note: Flexfields in Investor Agreement pages allow users to configure additional fields they may require. Before the investor agreement is activated, you can enter exceptions for the following by overriding existing information:

- Syndicated amounts
- Disbursement dates
- Residual Guarantee flag

Activate an Investor Agreement

After creating the investor agreement, you can initiate activation by clicking **Activate**. On clicking **Activate**, the system performs the following steps to activate the investor agreement:

1. Generates syndication disbursement streams
2. Generates syndication accrual streams
3. Generates secured borrowing streams
4. Creates syndication accounting
 1. Generates investor stake accounting
 2. Generates investor stake invoice

Disburse an Investor Agreement

After activating the investor agreement, you can run the disbursement program. On running the disbursement program, the system performs the following steps to disburse the investor agreement:

1. Selects the eligible disbursement streams
2. Generates disbursement

The disbursement will be generated.

The disbursement process relies on the following inputs:

- Disbursement Stream Amount
- Disbursement Stream Date
- Create Investor Invoice Disbursements Program Date
- Disbursed Flag

The disbursement program selects disbursement streams that meet both the following criteria:

- The disbursement stream date is on or before the **Create Investor Invoice Disbursements** program date.
- The stream is not flagged as disbursed.

The amount disbursed is equal to the disbursement stream amount.

Update Investor Agreements

The following are the steps to update investor agreement:

1. Initiate investor agreement update
2. Update the investor agreement online or by upload
 - **Online:** You can enter updates online using the **Update Disbursement Elements** page.
 - **Upload:** You can update investor agreements through an upload with action type **Modify**.

Note: You can override **Disbursement Amount** and **Disbursement Dates**.

After you follow the steps to update investor agreement, the system performs the following steps to update investor agreements:

1. Validate investor agreements
2. Regenerate syndication disbursement streams
3. Regenerate syndication accrual streams
4. Create contract-level syndication accounting

The investor agreement will be updated.

After updating an investor agreement, you can regenerate streams. When streams are regenerated , all investor streams applicable to the contract are regenerated.

Buyback Investor Agreements

When you select a buyback date, the system processes a buyback for streams that meet both the following criteria:

- Streams are due on or after the buyback date.
- Streams were syndicated.

Manage Terminations

In the Investor Agreement pages, you can select a termination payoff formula that is used to calculate investor payoffs when a contract or asset is terminated. After the completion of the termination, the termination payoff formula in the investor agreement is invoked to calculate the amount to be disbursed to the investor. The disbursement streams due after the termination date are truncated to avoid their being processed for disbursement.

Investor Management Field References

The topics in this section describe selected fields for:

- Add Pool Contents
- Investor Agreement
- Investor Details
- Investor Disbursement Details
- Investor Revenue Share
- Terms and Conditions
- Buy Back Streams
- Create Specific Loss Provision

Fields left empty or blank generate all possible values.

See Glossary for definitions of selected terms.

Add Pool Contents Page Field References

The following table lists and describes selected fields on this page.

Eligibility Criteria Fields

Field or Button	Description
Credit Classification	Select the credit classification from the list. This list is displayed from Oracle Receivables.
Pre Tax Yield	Desired pre-tax yield percent of contracts
Book Classification	Lease contract book classification. From the list of values, select Direct Finance Lease, Operating Lease, or Sales Type Lease, only. (Any additional values in the list are for future functionality.)
Tax Owner	Lessee or Lessor or [blank]
Product	(Financial product.)
Effective From	Date Range
Effective To	Date Range
Stream Type Subclass	Rent, Residual, or [blank]
Streams Start Date	Date Range

Create Investor Agreement Page Field References

The following table lists and describes selected fields on this page.

Agreement Details Fields

Field or Button	Description
Trustee	Select a vendor to act as trustee for the investor agreement.

Field or Button	Description
Product	Select the financial product you have defined for investor agreements.
Service Organization	Typically, Lessor
Recourse	With recourse for investors, or without recourse for investors.

Add Investor Page Field References

The following table lists and describes selected fields on this page.

Investor Details Fields

Field or Button	Description
Customer Account	Select the specific customer account set up in Oracle Receivables or TCA (Trading Community Architecture) for the selected investor.
Bill To Address	Select from the list of values for the investor. Sourced from Oracle Receivable's customer information
Investment Date	Date of investment by the investor. It is defaulted from the effective start date of the investor agreement and cannot be changed.
Amount Stake	Amount paid by the investor. For example, if the investor is committing \$10,000, enter 10000.
Payout Start Date	Enter the date of the first payout to the investor.
Payout Event	Schedule, or Processing Day
Payout Frequency	If the Payout Event is Schedule, select Monthly, Annual, Semi-Annual, or Quarterly.

Field or Button	Description
Remittance Days	Enter number of days; for example, 5

Investor Disbursement Page Field References

The following table lists and describes selected fields on this page.

Investor Disbursement Details Fields

Field or Button	Description
Payment Method	Choose the payment method that the investor uses to make payments.
Cash Application Rule	Choose the cash application rule that may be applied to receipts.
Invoice Format	Summary Invoice, Detailed Invoice, or user-defined invoice format
Review Invoice	Select the Review check box to sort the investor's invoices during printing preparation for a manual review, and not to mail the invoices directly.
Reason for Review	Enter the reasons for the review, if applicable.
Review until Date	Enter the date the manual invoice review ends, if applicable.
Pay To	The application displays the vendor associated with the investor.
Pay Site	Select from the list of values for the Pay To party. Sourced from Oracle Payables for the applicable vendor.
Payment Terms	Select from the payment terms associated with the Pay To party.

Field or Button	Description
Payment Method	Check payment, Payment Clearing, Electronic Payment Method, Wire Payment
Pay Group	Select from the list of values for the investor. Sourced from Oracle Payables for the applicable vendor.
Tax Sale Benefit	Flag for your information purposes.
Accounting Sale Benefit	Flag for your information purposes.
Residual Guarantee	Flag for your information purposes.
Tax Reporting	Flag for your information purposes.
Tax Billing	Flag for your information purposes.
Sales Tax Reporting	Flag for your information purposes.
Sales Tax Billing	Flag for your information purposes.
Document Number	Information that you define.

Investor Revenue Share Field References

The following table lists and describes selected fields on this page.

Investor Revenue Share Fields

Field or Button	Description
Stream Type Subclass	Stream type subclasses are listed.

Field or Button	Description
Share Percent field for each stream type	Enter the percentage (do not include the percent sign) share for each stream type subclass. The combined shares of all the investors for each stream type subclass must not be more than 100 percent. You will receive an error message when you update if you do not observe this limit.

The following table lists stream types purposes assigned to each stream type subclass.

Investor Revenue Share Stream Types

Stream Type	Subclass	Description
RENT	Rent	Payment due from customer
ADVANCED RENTALS	Rent	Future rent payments due in advance of rental term
INTERIM RENT	Rent	Per diem rent payment charged prior to contract start date
RESIDUAL VALUE	Residual	Amount of residual value
PRINCIPAL PAYMENT	Loan Payment	Principal due from customer for Fixed rate loan contracts
UNSCHEDULED PRINCIPAL PAYMENT	Loan Payment	Unscheduled Principal payment from customer for Fixed rate loan contracts
INTEREST PAYMENT	Loan Payment	Interest due from customer for Fixed rate loan contracts
INVESTOR CONTRACT OBLIGATION PAYABLE	Investor Disbursement	Share of rent payable to an investor
INVESTOR RESIDUAL PAYABLE	Investor Disbursement	Share of residual payable to an investor

Stream Type	Subclass	Description
INVESTOR DISBURSEMENT ADJUSTMENT	Investor Disbursement	Adjusted disbursements to an investor; for example, on a rebooked contract
INVESTOR EVERGREEN RENT PAYABLE	Investor Disbursement Evergreen	Share of evergreen rent payable to an investor
INVESTOR LATE FEE PAYABLE	Investor Disbursement	Late fees on share of payments payable to an investor
INVESTOR LATE INTEREST PAYABLE	Investor Disbursement	Late interest on share of payments payable to an investor
INVESTOR RENT BUYBACK	Investor Disbursement	Amount required to repurchase rent payments from an investor
INVESTOR RESIDUAL BUYBACK	Investor Disbursement	Amount required to repurchase residual payments from an investor

Terms and Conditions Field References

The following table lists and describes selected fields on this page.

Terms and Conditions Fields

Field or Button	Description
Formula Name	Select the formula defined to calculate the buy back amount. INVESTOR_BUYBACK is the seeded formula.
Payment Basis	Cash Flow.

Field or Button	Description
Payment Event	<p>Billing (1), or Receipt (2).</p> <p>(1) Select Billing if investors will be credited when the lessees are billed. If Billing is selected, disbursement is due to the investors when the lessee is billed.</p> <p>(2) Select Receipt if investors will be credited when you actually receive payment from the lessees. If Receipt is selected, disbursement is due to the investors when payment is received from the lessee.</p>
Special Accounting	<p>Agreement Accounting Code. This lookup value, located on the accounting template for lease contracts, is user-defined. You can modify it on a lease contract.</p>

Buy Back Streams Field Reference

The following table describes a field on this page.

Buy Back Streams Fields

Field or Button	Description
Book Classification	<p>Lease contract book classification. From the list of values, select Direct Finance Lease, Operating Lease, or Sales Type Lease, only. (Any additional values in the list are for future functionality.)</p>

Create Specific Loss Provision Field References

Located on the Operations tab, Loss Provision menu, at Transactions. The following table lists and describes selected fields on this page.

Create Specific Loss Fields

Field or Button	Description
Operating Unit	<p>Operating Unit assigned to the record.</p> <p>Note: The list of values includes operating units assigned to the MO: Security profile.</p> <p>Additional Information: The application displays the selected operating unit as the default in the subsequent pages irrespective of the value that you set for the MO: Default Operating Unit profile option.</p> <p>The selected operating unit restricts the valid list of values in applicable fields.</p>
Provision Type	Select Specific loss provision type.
Provision Date	Date the loss provision is created
Reserve Amount	Loss provision reserve amount
Reverse Total Reserve	Select check box to reverse the existing loss provisions.
Tax Deductible Local	For information purposes only. (Select check box if the loss is deductible from local area taxes.)
Tax Deductible Corporate	For information purposes only. (Select check box if the loss is deductible from corporate-level taxes.)

Stream Types in Investor Agreements

The following table lists streams that are generated on lease contracts when an investor agreement is activated, for disbursement to investors:

Streams Generated For Disbursement To Investors

Stream Type	Description
Investor Rent Disbursement Basis	Amount of rent available for disbursement to investor.
Investor Residual Disbursement Basis	Stream is generated based on the following formula: Residual * ((1 + Agreement yield)/(1 + Contract IRR))

The following table lists streams that are applied for billing investor stakes:

Streams Applied For Billing Investor Stakes

Stream Type	Description
Investor Receivables	Payment due from investor

The following table lists streams that are applied for billing and disbursement of fees:

Streams Applied For Billing and Disbursement of Fees

Stream Type	Description
Expense Fee	Fees of Expenses to investor
Income Fee	Fees of Income from investor

The following table lists a stream that is applied for disbursing rent to investors during the base term:

Streams Applied For Disbursing Base Term Rent To Investors

Stream Type	Description
Investor Rent Payable	Rent payable to investor

The following table lists streams that are generated on lease contracts when an investor

agreement is activated, for adjustment of income:

Streams Generated For Adjustment of Income

Stream Type	Book Class	Description
Investor Rental Accrual	Operating Lease	Investor rental accrual for the rental accrual streams
Investor Pre-Tax Income	Direct Finance Lease	Investor pre-tax income for pre-tax income streams
Investor Pre-Tax Income	Sales Type Lease	Investor pre-tax income for pre-tax income streams

The following table lists streams that are generated on lease contracts when an investor agreement is activated, for accounting:

Streams Generated For Accounting

Stream Type	Description
Present Value Securitized Rent	The present value of securitized rent payments for a contract
Present Value Securitized Residual	The present value of securitized residual payments for a contract
Accrued Fee Expense	Fees of expenses to investor
Accrued Fee Income	Fees of income from investor

1. SEEDED FORMULAS: Investor_Investment and Investor_Accrual are seeded formulas for Investor Investment or Investor Accrual.
2. SEEDED STREAM TYPE PURPOSES for accrual adjustment:
 1. There are two seeded stream type purposes. For Direct Finance and Sales type lease contracts, the seeded stream type purpose is Investor Pre-tax Income. For Operating lease contracts, the stream type purpose Investor Rental Accrual. Streams with these stream type purposes are generated on the contract at the time of activation of the investor agreement.

2. When a contract is securitized, income for the contract should not be accrued to the full extent of the investor revenue share. The purpose of setting up these accounting templates is to adjust income accrual (i.e., negative accrual) for the contract.
3. Ensure that accounting templates are defined for Accrual transaction type for the expense and income fees in the investor product.
4. To generate accruals, run the Generate Accruals Master - Streams concurrent program.

Note: When the lessor and the investor have a 50/50 percent stake in the streams, and the lessor does not provide a stake up-front, do not set up the lessor as an investor. If, for example, you set up streams intending that 50% of the rent will be disbursed to the investor while the lessor will get the rest of the rental amount, or 50%, the lessor should NOT be set up as an investor. The lessor's share is assumed to be 100% minus the total revenue share of all other investors.

Securitization and Investor Management

A common approach in syndication or securitizations is to convey title to the equipment and assign all rights under the existing equipment schedule to the investor. This is commonly referred to as True Sale or Full Sale syndication. One important feature of a full sale is that all rights in the lease and equipment pass to the investor. When a securitization transaction qualifies for a sale treatment, the asset is not recorded on the balance sheet of the lessor.

Full Sale Agreement

When enabling an investor agreement for Full Sale, all billable streams for any eligible contract can be added to the investor pool. Equipment asset balances (from Oracle Assets) and other asset balances, such as Unbilled Receivables and Unaccrued Income are eliminated from the balance sheet for a Full Sale. Security deposits, if any, can be included in the pool or be transferred to the investor(s) and subsidy income, if any, will be accelerated at the time of activation of the Investor Agreement.

Syndication of Variable Rate Contracts

Investor Agreements allow syndication or securitization investments in a lease or loan contract where the interest rate is linked to a reference rate or index (i.e., variable interest). Variable rate contracts can be added to pools for all types of Investor Agreements.

View Status and Investor Agreement Numbers on Pool Contracts

Investor Agreement numbers are displayed on any contract which is associated to a pool for an Investor Agreement. In cases where a contract in a pool is associated to more than one agreement, a popup window displays all Investor Agreements associated to the contract.

Full Sale Investor Agreement Accounting

Assets financed on contracts included in a Full Sale pool are transferred to the transferee by changing the balancing segment values. The Oracle Assets transfer process makes this transfer and generates the transfer journal accounting entries between the two balancing segment values thereby removing the balances from the lessor assets.

Any accounting transaction for a Full Sale agreement carry a flag that enables the authoring of accounting rules to direct accounting entries to Investor Balancing Segment Values or to separate clearing accounts.

Managing Transferred Assets

Although assets are transferred in a Full Sale investment, when the assets are returned and considered "off-lease", a lessor may remarket a securitized asset for an Investor as an agent, but other forms of disposal such as Release or Scrapping are restricted.

Frequently Asked Questions About Investor Agreements

Q: In order to set up an investor agreement, I have to define an investor financial product. Do I tie an accounting template set to this investor financial product?

A: The purpose of an investor product is to define accounting based on the Investor quality. It is necessary to associate an accounting template set with the investor product. The accounting template set associated with the investor product must have the following accounting templates to perform necessary accounting.

1. Investor transaction type - for accounting on activation of investor agreement
2. Billing transaction type - for billing investor stake
3. Disbursement transaction type - for periodic disbursement to investors

Q: There are two transaction types: one for syndication and one for investor. Are these transaction types strictly used for the investor portion of the agreement? Or do I add syndication transaction type to all accounting template sets with the stream types that will be changed based on the formula of the investor share?

A: The accounting templates must be defined using only the "investor" transaction type for investor agreements. Investor agreements will not recognize accounting templates with the syndication transaction type.

Q: What is the functionality of the parameters, if we have transaction types? How do these options interact with each other?

A: The accounting template is uniquely identified by a combination of transaction type, stream type, factoring and syndication flag, and memo flag. You can define different accounting templates for the same transaction type having different factoring and syndication flags and codes. This can be used to perform accounting for contracts differently based on the factoring and syndication flags and codes.

Q: There is a parameter with a list of values for factoring, syndication, and investor. If my accounting templates are set with those parameters, do all the accounting templates within that accounting template set require the same parameters?

A: It is not necessary for all accounting templates in an accounting template set to have the same parameters. But if the investor agreement is defined with an investor agreement code, accounting for that investor agreement will be done using only those accounting templates that have the specific investor agreement code.

Q: U.S. Federal Accounting Standards require that we determine whether a deal is a participation (when the lessor funds) or a true syndication (when an investor funds). How can we set up accounting templates to derive different accounting based on participation or syndication?

A: Set up and use different financial products with separate accounting template sets.

Part 12

Vendor Programs

Vendor Agreements

This chapter covers the following topics:

- Overview
- Create Vendor Account
- Vendor Agreements
- Define Agreements
- Validate Agreements: Applies to Both Operating Agreements and Program Agreements
- Duplicate Agreements: Applies to Both Operating Agreements and Program Agreements
- Update Agreements
- Terminate Agreements: Applies to Both Operating Agreements and Program Agreements

Overview

A relationship often develops between lessors and vendors when vendors wish to promote lease financing as a way to generate additional sales. The lessor offers leases or loans to the vendor's customers. However, even though the lessor has a leasing relationship with the vendor's customer, the vendor often maintains the sales and service relationship. In such cases, the vendor generally originates the transactions under a program with the lessor.

Vendors may operate according to the following structures:

- The lessor may have an operating agreement with a vendor/manufacturer and then create separate relationships, or programs, with the dealer or supplier network operating in the supply chain for the vendor/manufacturer. Periodically, the vendor/manufacturer and lessor develop special programs, or promotions, that the dealer/supplier network uptakes.

- The vendor may develop an individual relationship with the lessor where, periodically, the vendor and lessor develop special pricing programs, or promotions.

Create Vendor Account

You can create vendor accounts for parties that do not have suppliers associated with them in Trading Community Architecture (TCA) setups. Complete the following tasks to create a vendor account:

1. Search for the party in the Vendor Accounts Summary page.

Note: If the party has vendor accounts associated with it in TCA, then the search results area displays the accounts and you cannot add new vendor accounts. If there are no associated vendor accounts for a party in TCA, then the search results area displays the party name.

2. In the search results area, select the applicable party and click Add Vendor Account. The Create Vendor Account page opens displaying the party name.
3. Select the party site of the party to associate it with the vendor account as pay site.
4. Select the operating unit. Note:

Note: The list of values includes operating units assigned to the MO: Security profile. Oracle Lease and Finance Management creates the pay site for the selected operating unit.

5. Click Apply.

Note: The application displays all the references of party and vendor account relationship in Oracle Lease and Finance Management context in the Vendor Account details page.

Vendor Agreements

The two types of vendor program agreements typically used in the leasing industry are:

- Operating Agreements
- Program Agreements

Operating Agreements

Operating agreements are mutual agreements between a lessor and an organizationally higher-level vendor or manufacturer to work together and administer financing programs that specify specific terms and conditions for future transactions. The terms and conditions in operating agreements are not deal-specific, but rather define the overall nature of an ongoing leasing relationship. In many lessor-vendor relationships, the operating agreement acts as a parent agreement to the program agreement, whereby all the specified terms and conditions in the operating agreement also apply to the program agreement.

Program Agreements

Program agreements are mutual agreements between a lessor and an organizationally lower-level vendor or manufacturer, such as a company's divisions or dealers. A program agreement between the lessor and a vendor creates a specific financing program for the vendor's customers who desire financing. The terms and conditions of the program agreement may govern aspects of the deals created as a result of the operating agreement. In addition to defining the overall legal terms of the vendor/lessor relationship, the program agreement also defines which type of lease application or lease contract the lessor will use when originating deals under the program agreement.

After a program agreement becomes associated with a lease contract, the lease vendor from the vendor program is automatically defaulted as a lease vendor party on the lease contract.

Define Agreements

Oracle Lease and Finance Management allows you to create both operating and program agreements.

Operating Agreements

Operating agreements are created in the Operating Agreement subtab of the Vendors tab. Before you can access any of the hypertext links associated with the Operating Agreement subtab, you must first create an operating agreement.

From the Operating Agreements page, you can access all existing operating agreements. You can search for existing agreements by using filtering parameters, including: operating agreement number, status of the operating agreement, and vendor name.

Prerequisites

Before you can define operating agreements, you must:

- set up vendors in Oracle Payables.

- set up vendors as customers in Oracle Receivables to set up billing information and associate the customer and supplier accounts to the vendor's party record.

Steps

To define operating agreements, perform the following steps:

1. On the Operating Agreements page, click Create.

The Create Operating Agreement page appears.

2. Select the operating unit.

Note: The list of values includes operating units assigned to the MO: Security profile.

Additional Information: The application displays the selected operating unit as the default in the subsequent pages irrespective of the value that you set for the MO: Default Operating Unit profile option.

The selected operating unit restricts the valid list of values in applicable fields.

3. In the Agreement Number field, enter an operating agreement number.
This value must be a unique alphanumeric entry.
4. In the Vendor field, select the vendor with whom you are entering into an operating agreement from the list of values.
5. Enter an Effective From date and, optionally, an Effective To date by making a selection from the calendar.
6. Agreements can be open ended. Typically, program agreements contain end dates.
7. Enter a Short Description of the agreement.
8. Enter a full Description of the agreement.
9. Enter any additional Comments.
10. To save the operating agreement and add details, click Save and Add Details, else click Apply to save and add details later.

Add Parties

With operating agreements, you can add the appropriate parties to the agreement. You must also assign a role to each party. Examples of roles include manufacturer, investor, and dealer.

You may also add user-defined roles to agreements. The Parties page, which appears when you click the Parties menu, displays the parties already associated with the agreement.

Note: You can set up new, user-defined party roles that are sourced from the following party repositories:

- Oracle Purchase Order Vendors
- Oracle Trading Community Architecture (TCA)
- Oracle Human Resource Organizations

The available party names and details are sourced based on the party repository defined for that party role. See the *Oracle Lease and Finance Management Implementation Guide*.

Add Articles

An article is the text that describes and details the terms and conditions that are attached to a contract. You cannot change the text of standard articles. Terms and conditions are contract rules with the addition of computer-readable formatting that cause the application to take action based on the information. Articles are the textual presentation of business rules.

When you add an article to the operating agreement, that article represents text. With a term, however, you can initiate functions within the application based on the term value. For example, an article states that a confirmation letter must be sent within three days of the signature date. When you enter this information as a term, the notification process for a confirmation letter is generated based on the number of specified days.

All articles attached to the operating agreement appear in a table on the Articles page. Selecting the article name displays the actual text of the article, whether or not the article is Standard, that is, a member of the article library in the Oracle Contracts Core module, and any attached comments. You can remove any of the articles from the operating agreement by selecting the appropriate article and clicking the Delete icon

Prerequisites

Before you can add articles to an operating agreement, you must do the following:

- Write and set up all standard articles in Oracle Contracts Core.

See *Oracle Contracts Core Concepts and Procedures*.

- Create an operating agreement.

Steps

To add articles to an operating agreement, perform the following steps in the Operating Agreements page:

1. Query the applicable operating agreement.
2. Click the Agreement Number hypertext link in the results area. The Agreement details page opens.
3. Click the Articles subtab.
4. Click Create. The Create Article page appears.
5. In the Name field, select the article you want to add to the operating agreement from the list of values.
6. From the Standard drop-down box, select Yes or No.

If you select Yes, then the text of the existing article in Oracle Contracts Core library is associated with the operating agreement. If you select No, then you can add the article text manually.
7. To save the article added to the agreement, click Apply.
8. If you selected No from the Standard drop-down list in Step 4, then select the article name in the Articles subtab on the Agreement details page.
9. In the Text field, enter the text you want to attach to the article.
10. To save your work, click the Update icon.
11. Repeat the procedure for each article you wish to attach to the program agreement.

Guidelines

If you attach standard articles to the contract, the text is not editable. When you select an article name, you can see the text for the article in the Article Details region, which is set up in Oracle Contracts Core.

If you attach non-standard articles to the contract, the text is editable in the Article Details region.

Program Agreements

Use the Program Agreements to search and create program agreements and program templates. At the time you define the program agreement, you can also add a vendor's billing and disbursement information.

From the Program Agreements page, you can access all existing program agreements. You can search for existing agreements by using filtering parameters, including: program agreement number, status of the program agreement, whether you are searching for a template, and vendor name.

Additionally, you can also define program templates from which you can create additional program agreements with the same vendor.

Prerequisites

Before you can define program agreements, you must do the following:

- Set up vendors in Oracle Payables.
- Set up vendors as customers in Oracle Receivables to set up billing information and associate the customer and supplier accounts to the vendor's party record.

Steps

To define program agreements or program templates, perform the following steps:

1. On the Program Agreements page, select Program Agreement or Program Template from the Create drop-down list and click Go.

Depending on which option you selected from the drop-down list, the Create Program Agreement or Create Agreement Template page appears.

2. Select the operating unit.

Note: The list of values includes operating units assigned to the MO: Security profile.

Additional Information: The application displays the selected operating unit as the default in the subsequent pages irrespective of the value that you set for the MO: Default Operating Unit profile option.

The selected operating unit restricts the valid list of values in applicable fields.

3. Select a legal entity to identify the first party on the agreement.

4. In the Agreement Number field, enter an Agreement Number.
This value must be a unique alphanumeric entry.
5. If you wish to reference an operating agreement, select an option from the list of values in the Operating Agreement Number field.
6. In the Vendor field, select the vendor with whom you are entering into a program agreement from the list of values.
7. Enter an Effective From date and, optionally, an Effective To date by making a selection from the calendar.
Agreements can be open ended. Typically, program agreements contain end dates.
8. Enter a short description of the agreement.
9. Enter a full description of the agreement.
10. Enter any additional comments.
11. To save the program agreement and add details, click Save and Add Details. Click Apply to save and add details later.

Add Parties, Billing, and Disbursement Information

With program agreements, you can add the appropriate parties to the agreement. You must also assign a role to each party. Examples of roles include manufacturer, investor, and dealer.

You may also add user-defined roles to agreements. The Parties subtab in the Program Agreement details page displays the parties already associated with the agreement.

Note: You can set up new, user-defined party roles that are sourced from the following party repositories:

- Oracle Purchase Order Vendors
- Oracle Trading Community Architecture (TCA)
- Oracle Human Resource Organizations

The available party names and details are sourced based on the party repository defined for that party role. See the *Oracle Lease and Finance Management Implementation Guide*.

Where the lessor is providing services to the vendor, the lessor needs the capability of billing the vendor and if refunds or other related payable invoices are required, you can specify the disbursement details.

To add vendor billing information, perform the following steps.

1. Query for the applicable program agreement in the Program Agreements page.
2. Click the Agreement Number hypertext link in the results area.
3. Click the Parties subtab in the Program Agreement details page.
4. Click the Vendor Billing icon for the selected Party Name. The Vendor Billing page appears.
5. In the Customer Account field, select the account associated to the vendor's party record that you want to bill.
6. In the Bill To Address field, select the vendor's Bill To Address from the list of values.
7. In the Payment Method field, select the payment method from the list of values.
8. In the Bank Account field, select the Bank Account that the vendor uses for billing purposes from the list of values.
9. In the Invoice Format field, select the Invoice Format from the drop-down list. The default value is None.
10. In the Reason for Review field, optionally enter a reason for review.
11. In the Review until Date field, enter a date by which to send the invoice to the vendor.
12. To save your work, click Apply.

To add disbursement details, perform the following steps:

1. In the Parties subtab of the Program Agreement details page, click the Disbursement Setup icon to open the Disbursement Details page.
2. Select the vendor.
3. Select the pay site associated to the vendor's party record for which you want to send payments.
4. Specify the payment terms, method of payment, and pay group.
5. Click Apply.

Note: You can select or create a vendor and the associated pay site in

the following situations:

- If there is a default vendor for the party and the vendor has a pay site in the application, then the applicable vendor appears as the default value on the page. You can select another vendor and pay site using the list of values.
- If there is a default vendor for the party but no pay site for that vendor, then the application displays a warning message to create the pay site and set that as default values on the page.
- If there is no default vendor for the party, then the application displays a warning message to create the default vendor and pay site and set those as default values for vendor and pay site on the page.

Prerequisites

Before you can add parties and party contacts to a program agreement, you must do the following:

- Create a program agreement.
- Set up parties.

Steps

To create program agreement parties and party contacts, perform the following steps:

Create Party

1. Query for the applicable program agreement.
2. Click the Agreement Number hypertext link in the results area. The Program Agreement details page opens.
3. Click the Parties subtab and click Create.
The Create Party page appears.
4. In the Role field, select a role for this party from the drop-down list.
5. In the Party Name field, select the party name from the list of values.
6. In the Party Known As field, enter an alternative name. For example, Robert Jones & Sons Automotive.
7. In the Alias field, enter an Alias name. For example, Jones Auto.
8. To save your work, click Apply

Add Party Contacts

1. To add party contacts to the program agreement, return to the Program Agreement details page.

Note: The Program Agreement details page displays a list of all the party contacts already associated with the agreement. Party contacts are people that serve as the liaison between you and that particular party.

2. Select a party name and click Create under the Party Contacts region.
The Create Party Contact page appears.
3. In the Contact Role field, select a role for the party from the drop-down list. For example, inspector, account manager, and so on.
4. In the Contact Name field, select the name of the party contact from the list of values.
5. To save your work, click Apply.
6. Repeat these steps for each party and party contact you want to associate with the agreement.

Add Articles

An article is the text that describes and details the terms and conditions that are attached to a contract. You cannot change the text of standard articles. Articles differ from terms and conditions. Terms and conditions are contract rules with the addition of computer-readable formatting that cause the application to take action based on the information. Articles are the textual presentation of business rules.

When you add an article to the agreement, that article represents text. With a term, however, you can initiate functions within the application based on the term value. For example, an article states that a confirmation letter must be sent within three days of the signature date. When you enter this information as a term, the notification process for a confirmation letter is generated based on the number of specified days.

All articles attached to the program agreement appear in a table on the Articles page. Selecting the article name displays the actual text of the article, whether or not the article is Standard, that is, a member of the article library in the Oracle Contracts Core module, and any attached comments. You can remove any of these articles from the agreement by selecting the article and clicking the Delete icon.

Prerequisites

All Standard articles must be written and set up in Oracle Contracts Core. See *Oracle Contracts Core Concepts and Procedures*.

Before you can add articles to an agreement, an agreement must be created.

Steps

To add articles to a program agreement, perform the following steps:

1. Query for the applicable program agreement in the Program Agreements page.
2. Click the Agreement Number hypertext link in the results area. The Program Agreement details page opens.
3. Click the Articles subtab and click Create.
The Create Article page appears.
4. In the Name field, select the article you want to add to the agreement from the list of values.
5. Choose whether the article should be Standard or not.
Choosing Yes brings the text of the existing article in Oracle Contracts Core library over to the Agreement. If you choose No, you add the text of the article manually.
6. To save the article to the agreement, click Apply.
7. If you selected No from the Standard drop-down list, then select the article name in the Program Agreement details page.
8. In the Text field, enter the text you want to attach to the article.
9. To save your work, click the Update icon.
10. Repeat the procedure for each article you wish to attach to the program agreement.

Guidelines

If you attach Standard articles to the contract, the text is not editable. When you select an article name, you can see the text for the article in the Article Details region, which is set up in Oracle Contracts Core.

If you attach Non-Standard articles to the contract, the text is editable in the Article Details region.

Add Term Sets

Terms and conditions are the procedural guidelines of an agreement. In Oracle Lease and Finance Management, terms and conditions are grouped together in term sets. Term sets are then associated with an agreement and the parameters of the individual terms within the set are defined.

For program agreements, terms and conditions may directly affect potential lease

contracts, whereas terms and conditions added to the operating agreement, apply to all subsequent program agreements.

For example, if your organization never offered purchase options in any of its lease agreements, you could define them in the program template. If, on the other hand, you did offer a variety of end-of-term purchase options, depending upon the specific program, you could define those terms and conditions in the specific program agreement.

Note: Do not define terms and conditions that vary from contract to contract on a program agreement.

Terms and Conditions that Relate to Program Agreements

Terms and conditions that relate to program agreement issues between vendor/lessor are maintained on the program agreement. These program terms and conditions do not have effectivity dates.

The following program terms and conditions do not default to the lease contract and, therefore, are not updatable on the lease contract:

- Collections Related
- Termination Quote--Conditions for Partial Termination
- Purchase Options
- Termination Quote
- Quote Administration
- Termination Quote Calculations
- Termination Quote Process

Note: All terms and conditions that you want to default onto the lease contract must be removed from the program agreement and mapped through contract templates.

Terms and Conditions that Relate to Lease Contracts

Terms and conditions that relate to lease contract issues between lessor/lessee are maintained on a lease contract template that you can create in the Origination tab.

Prerequisites

Before you can add terms and conditions to a program agreement, an agreement must be created.

Guidelines

Without a change request, you can update the values of the attributes until the agreement is saved. Once the agreement is approved and activated, you must initiate a change request to change the attributes of terms and conditions.

Steps

To add terms and conditions to a program agreement, perform the following steps:

1. Query for the applicable program agreement in the Program Agreements page. Before you can access the Terms Set hypertext link, you must select a program agreement in the Program Agreements Search page.
2. Click the Agreement Number hypertext link in the results area. The Program Agreement details page opens.
3. Click the Term Set subtab and click Create.
The Terms and Conditions page appears.
4. From the drop-down list, select a term set and click Go.
The individual terms in the selected term set appear.
5. Select the terms for which you wish to specify attributes and click Update.
6. Specify the appropriate attributes for each term on the page.
This page contains all the attributes attached to a particular term. Any term can have up to 15 attached attributes. You can set these attributes by choosing from a list of values, entering text or selecting or deselecting check boxes, depending upon the nature of the attribute.
For a list of all the seeded terms and conditions sets, see the Seed Data appendix in the *Oracle Lease and Finance Management Implementation Guide*.
7. To save your work, click Apply.
8. Repeat Steps 4 to 6 for all term sets you want to add to the program agreement.
Each term set selected in Step 4 appears in a table at the bottom of the Term Set page, along with all the terms associated with the set.
9. To specify or change parameters of a term, click the appropriate Update icon in the Term Set page.

A page opens to the selected term.

Note: If the program agreement for which you want to change

terms has not been activated, you can change the parameters of terms. If, however, the program agreement has not been activated, you must initiate a change request and submit it for approval.

10. Edit all required and optional attributes appropriate for the business rules that drive this particular agreement.
11. To save your work, click Apply.
12. Repeat this procedure for each term set you are adding to the agreement.

Create Associations

You can associate attachments, such as a lease contract template or a lease application template, with a program agreement. A lease contract template is a contract with pre-defined values. When used in conjunction with a program agreement, it effectively controls the lease contracts created under the program agreement. A lease application template is a lease application with pre-defined values. Multiple active lease application templates can be associated with a program agreement.

The association of a lease contract template or a lease application template, with a program agreement enables terms and conditions between lessor/lessee that are defined on a lease template to default onto a lease contract. The association feature enables you to search for, select, view, add, or terminate (via end date) the association of lease templates with program agreements.

When associating lease contract templates to a vendor agreement, the following rules apply:

- The program agreement can be active or inactive.
- The contract template must be active before you can associate it with a program agreement.
- The association of a template with a program agreement will have effective dates, which must fall within the program agreement effectivity dates.
- The association of a template with a program agreement will not have a status, but it does require approvals.
- You can associate a single contract template with multiple program agreements.
- You can associate multiple contract templates with a single program agreement.
- You can optionally override values that default from the lease contract template onto the lease contract.

- After a lease contract template is activated, it cannot be modified. You can, however, copy the lease contract template to a new template, make modifications, and make a new association of the lease contract template with the program agreement.
- When creating a contract, you cannot change the program agreement and apply a different contract template.

To associate a template with a program agreement, perform the following steps:

1. Query for the applicable program agreement in the Program Agreements page.
2. Click the Agreement Number hypertext link in the results area. The Program Agreement details page appears.
3. Click the Associations subtab.
4. Select Lease Contract Template or Lease Application Template from the drop-down list and click Create.

The Create Association page appears.

5. In the Association field, select the number of the template that you are associating with the program agreement.
6. In the Start Date and End Date fields, select association effectivity dates from the calendar.
7. In the Description field, optionally enter a description.
8. To save the association, click Apply.

Define Selection Options

Program agreement options define what options can be selected when originating a deal under a program agreement. Options include End of Term Values, Financial Products, Items, and Item Categories. When creating a quote, lease application, or contract under a program agreement, these objects can only include the options defined in the program agreement. Options are used to support the sales quote functionality. Sales personnel use options to price quotes.

To add options to a program agreement, perform the following steps:

1. Query for the applicable program agreement in the Program Agreements page.
2. Click the Agreement Number hypertext link in the results area. The Program Agreement details page opens.
3. Click the Selection Options subtab and select an option type from the Create drop-

down list and click Go.

The Create Options page appears.

4. In the Name field, select an option name for the option type from the list of values.
5. In the Start Date and End Date fields, select effectivity dates for the option from the calendar.
6. To save the option, click Apply.

Select Criteria

Eligibility criteria are used to search and filter which program agreements are eligible for use when creating contracts. You associate eligibility criteria values with a program agreement when you want to restrict the association of that program agreement to a lease, quote, or lease application for specific qualifying conditions. Examples of eligibility criteria include eligible territories, industries, deal sizes, product, asset categories or items, customer risk profiles, and down payment amounts.

To add eligibility criteria to a program agreement, perform the following steps:

1. Query for the applicable program agreement in the Program Agreements page.
2. Click the Agreement Number hypertext link in the results area. The Program Agreement details page opens.
3. Click the Criteria subtab.
4. Specify whether you want the eligibility criteria to match all or one program agreement.
5. Select the applicable option to indicate the validation message.
6. Select a criteria name from the Add Criteria drop-down list and click Go.

The Value fields appears on the page.

7. Enter effectivity dates for the selected criteria.
8. In the Value fields, specify the maximum and minimum values for the criteria.
9. To save the criteria and its value, click Apply.

Validate Agreements: Applies to Both Operating Agreements and Program Agreements

Validation functionality applies to both operating agreements and program agreements.

The following phases occur during the validation process:

- Quality Assurance Checklist
- Approval
- Status Change

Quality Assurance Checklist

After you have authored an agreement and have chosen a quality assurance checklist that you want to use to validate the agreement, you can view the results of that validation by clicking the Checklist link.

After you have clicked the link, key information of the agreement appears, including the Vendor Name, Agreement Number, Operating Agreement Number, Agreement Status, and Agreement Description. Also the names of the Workflow Process and the Checklist appear.

At the bottom of the page, a table shows the various validated business-rule processes. It also displays a description of the process, the severity or status of the validation (values are Pass, Fail, and Warning) and the details of the validation assessment. If there is a problem, such as "Contact e-mail is missing," this message appears in the Details column.

If the process passes validation, the following message appears: "The contract QA process has completed successfully."

Before you can activate an agreement, all outstanding errors identified by the checklist must be addressed. You do not need to resolve warning statuses; they only notify you of items that you should address.

Approval

After agreements are validated, their status changes from New to Passed. When they are submitted to approvers for approval, their status changes from Passed to Pending Approval.

Status Change

When agreements are validated and approved, their status changes from Pending Approval to Active.

Prerequisites

An agreement must be completed and a checklist and workflow process must be associated.

For more information on the contract validation process, see the *Oracle Contracts Core*

Concepts and Procedure guide for details.

Duplicate Agreements: Applies to Both Operating Agreements and Program Agreements

You can duplicate both operating agreements and program agreements using the same procedure, only from the Operating Agreements and Program Agreements tabs respectively. Additionally, you can save a program agreement as a program agreement template.

When you create a new program agreement, you can duplicate an existing program agreement and save it as a new program agreement or as a program agreement template. When you perform this function, all parties, contacts, terms and conditions, articles, and validation checker settings are copied to the new program agreement.

Copying a program agreement into a template creates a document that cannot be activated.

Prerequisites

A vendor program agreement must be set up.

Steps

Perform the following steps:

1. At the Program Agreements or Operating Agreements page, search for the agreement you want to duplicate.
2. Click the Duplicate icon for the program or operating agreement you wish to duplicate.

The Program Agreement Details page appears. The agreement category (either operating or program) is copied from the original agreement and displayed on this page, along with the original agreement number.

3. In the Agreement Number field, enter a unique agreement number for the new agreement and click Save and Add Details.
4. To make changes in the duplicate agreement, click Update, make the appropriate changes, and click Apply.
5. To activate the new agreement, navigate to the Program Agreement Details page and click Validate Agreement.

The Validate Agreement page appears.

6. To submit the new agreement for approval, click Submit for Approval.

Update Agreements

Once you create an operating or program agreement, you can extend the agreement end date for all agreements.

Prerequisites

An agreement must be set up.

Steps

To extend the operating or program agreement's end date, perform the following steps:

1. From the Program Agreement page, search for the agreement that you want to extend and select the option to the left of the agreement.
2. Click the Extend button.
This opens the Extend Agreement page. The existing end date appears.
3. In the New End Date field, enter the new end date for the contract.
4. Click the Update button to save your work.

Initiate Change Requests: Applies to Operating Agreements

Change requests are any changes that are made to an operating agreement after it has been approved and activated. If you wish to make changes to an operating agreement with a status of Active, a change request is required. Examples of typical operating agreement change requests include changes in details, parties, or articles. Oracle Lease and Finance Management records a history of changes to active operating agreements, along with corresponding reasons and notes.

The table below shows the various statuses of an operating agreement and indicates whether the operating agreement is updateable and whether a change request is required.

<i>Updateable Attributes and Change Request Requirements Associated with Operating Agreement Status</i>		
Operating Agreement Status	Operating Agreement Updateable	Change Request Required
New	Yes	No

Operating Agreement Status	Operating Agreement Updateable	Change Request Required
Passed (after operating agreement has been validated)	Yes	No
Pending Approval (after operating agreement has been submitted for approval)	No	No
Abandoned (New or Passed statutes can be abandoned)	No	No
Rejected	Yes	No
Active (after operating agreement has been validated and approved)	Yes	Yes
Expired	No	No
Incomplete	Yes	No

The operating agreement uses one type of change request that occurs at the program agreement level. This change request makes all the operating agreement tabs available for updating and is applicable to changes that are infrequent and that require a high level of approval.

To initiate a change request for an operating agreement with a status of Active, perform the following steps:

1. Query for the applicable operating agreement in the Operating Agreements page.
2. Click the Agreement Number hypertext link in the results area. The Agreement details page opens.
3. Click the History subtab and click Create Change Request.
The Change Request page appears.
4. In the Reason field, select a reason for creating the change request from the list of values.
5. In the Notes field, optionally specify comments about the change request.

6. To create the change request, click Apply.
7. Click the appropriate subtabs and update the appropriate information to be changed on the operating agreement.
8. To validate the operating agreement after updating, click Validate Agreement.
The Validate Agreement page appears.
9. To submit the change request for approval, click Submit for Approval. The change request is approved or rejected. When the change request is approved, you can view both old and new values for changed attributes.

Note: You can abandon a change request that has not been submitted for approval.

10. Modify rejected change requests and resubmit for approval.

Initiate Change Requests: Applies to Program Agreements

Change requests are any changes that are made to a program agreement after it has been approved and activated. If you wish to make changes to a program agreement with a status of Active, a change request is required. Examples of typical program agreement change requests include changes in parties, articles, terms, associations, options, or criteria. Oracle Lease and Finance Management records a history of changes to active program agreements, along with corresponding reasons and notes.

The table below shows the various statuses of a program agreement and indicates whether the program agreement is updateable and whether a change request is required.

Updateable Attributes and Change Request Requirements Associated with Program Agreement Status

Program Agreement Status	Program Agreement Updateable	Change Request Required
New	Yes	No
Passed (after operating agreement has been validated)	Yes	No

Program Agreement Status	Program Agreement Updateable	Change Request Required
Pending Approval (after operating agreement has been submitted for approval)	No	No
Abandoned (New or Passed statutes can be abandoned)	No	No
Rejected	Yes	No
Active (after operating agreement has been validated and approved)	Yes	Yes
Expired	No	No
Incomplete	Yes	No

For program agreements, there are two types of change requests that reflect two different levels of changes: program level and association level. One change request occurs at the program agreement level and is applicable to changes that are infrequent and that require a high level of approval. The other change request is used for changing template associations, which may be more frequent and which require a low level of approval.

To initiate a change request for a program agreement with a status of Active, perform the following steps:

1. Query for the applicable program agreement in the Program Agreements page.
2. Click the Agreement Number hypertext link in the results area. The Program Agreement details page opens.
3. Click the History subtab.
4. Select Association or Agreement from the Create Change Request drop-down list to specify the type of program agreement change request you wish to create and click Go.

Note: If you select Association, you can only make changes to associations. If you select Agreement, all the program agreement tabs are available for updating.

The Change Request page appears.

5. In the Reason field, select a reason for creating the change request from the list of values.
6. In the Notes field, optionally specify comments about the change request.
7. To create the change request, click Apply.
8. Click the appropriate subtabs and update the appropriate information to be changed on the program agreement.
9. To validate the program agreement after updating, click Validate Agreement.

The Validate Agreement page appears.

10. To submit the change request for approval, click Submit for Approval. The change request is approved or rejected. When the change request is approved, you can view both old and new values for changed attributes.

Note: You can abandon a change request that has not been submitted for approval.

11. Modify rejected change requests and resubmit for approval.

View Change Requests: Applies to Both Operating Agreements and Program Agreements

To view an initiated change request, click the change request number hypertext link in the History subtab of the Program Agreement details page.

Terminate Agreements: Applies to Both Operating Agreements and Program Agreements

Once you define an operating agreement or a program agreement, you can terminate it. You can terminate agreements that have a status of Active.

Note: If you have not yet activated an agreement such that the status is Active, you can abandon it. For information on abandoning an agreement, see Abandon an Agreement, page 34-26.

Terminate an Agreement

To terminate an operating agreement or a program agreement, which means changing

the agreement status to Expired, perform the following steps.

1. From the Program Agreements page, select Active from the drop-down list in the Status field and click Go.
All the program agreements with a status of Active display.
2. Click the agreement number link of the program agreement you wish to terminate.
The Program Agreement Details page appears.
3. In the History subtab, select Agreement from the drop-down list to specify the type of program agreement change request you wish to create and click Go.
The Change Request page appears.
4. In the Reason field, select Change Terms from the list of values.
5. In the Notes field, optionally specify comments about the change request.
6. To create the change request, click Apply.
7. Click the Agreement Details link.
The program agreement change request appears.
8. To terminate the program agreement, click Update.
The program agreement appears.
9. To terminate the program agreement, select today's date from the calendar in the Effective To field and click Apply.

Note: End-dating the program agreement with today's date effectively terminates the program agreement, but does not delete the program agreement data from the system.

10. Navigate to the Schedule Request: Name page.
11. In the Program Name field, select the Terminate Investor Agreements concurrent program from the list of values.
12. Optionally, enter a name for the process request.
13. Click Next.
The Schedule Request: Parameters page appears.
14. In the Termination Date field, select a termination date from the calendar.

15. Continue with Steps 3 through 7 of the schedule request and click Submit.

Note: If the agreement does not have an end date, you must enter one as indicated in Step 9, page 34-25 and then run the Terminate Investor Agreements concurrent program. If the agreement is end dated, the Terminate Investor Agreements concurrent program searches for the end date and updates the agreement status to Expired.

16. To validate the program agreement change request after updating, click Validate Agreement.

The Validate Agreement page appears.

17. To submit the change request for approval, click Submit for Approval. The change request is approved or rejected. When the change request is approved, you can view both old and new values for changed attributes in the History page.

Abandon an Agreement

After you define an operating agreement or a program agreement, you can abandon agreements that have not been activated.

Note: If you no longer want to use an activated agreement, you must terminate the agreement. For information on terminating an agreement, see Terminate an Agreement, page 34-24.

Prerequisites

An agreement must be set up.

Steps

To abandon an operating agreement or a program agreement, perform the following steps:

1. From the Program or Operating Agreement pages, search for the agreement that you want to abandon.

2. Click the Abandon icon.

The Abandon Agreement page opens and the displayed agreement status changes to Abandoned.

3. Click the Update button to save your work.

Caution: After you have changed the status of an agreement from Active to Abandoned, you can no longer activate the agreement.

Cures, Repurchases, and Refunds

This chapter covers the following topics:

- Set Up Cures, Repurchases, and Refunds
- Define Vendor Program Terms and Conditions
- Requesting a Cure or Repurchase
- Identify Potential Cures
- Create a Cure or Repurchase Request
- Sending Cure Requests to Vendors
- Process Acceptance
- Create a Cure Refund for a Vendor

Set Up Cures, Repurchases, and Refunds

Cures are payments that the vendor makes to the lessor, because a lessee did not make the required payments according to terms of the lease.

Repurchases occur when the following happen:

- A lessee fails to make any payments to the lessor within a specified period of time, OR
- The vendor has paid the lessor a specified number of cure payments on behalf of the lessee for the delinquent contract, AND
- The lessor requests that the vendor repurchase the contract asset(s), and the vendor accepts to repurchase (buy it back).

Refunds occur when the lessee makes a payment on a delinquent contract after the vendor has made a cure payment. Vendor program agreement terms and conditions determine how the lessor refunds the vendor.

To use the cure, repurchase, and refund features of Oracle Lease and Finance Management, setups are required in three areas:

In Oracle Lease and Finance Management Implementation:

1. Define Accounting Templates specific for Cures, Repurchases, and Refunds; AND
2. Define the Vendor as a Party for Billing.

On Vendor Program Agreements: Terms and Conditions (T&Cs) Sets.

1. Define Collections Cure and Repurchase Terms and Conditions (T&Cs) Set for cures, repurchases, and refunds); AND
2. Define two T&Cs for Termination Quote values for the Vendor: Early Termination of Contract, and End of Contract Term.

On Contracts:

1. Specify the Negotiated Amount; AND
2. Specify offset contracts, if applicable.

Implementation Details

Perform the following steps:

1. Set up for AutoInvoice and Oracle Workflow. Set up the Vendor as a Party for Billing. See the *Oracle Lease and Finance Management Implementation Guide*.
2. Create Cure-specific accounting templates on the Lease financial product. The Stream Type and Transaction Types must be set for Cure. Use the template suggestions in the following table as examples for your accounting templates.

Accounting Template Examples

Accounting Template Name	Effective From	Stream Type	Transaction Type	Template Lines
VENDOR CURE CREDIT MEMO	[enter Date]	CURE	Credit Memo	Debit and Credit
VENDOR CURE BILLING	[enter Date]	CURE	Billing	Debit and Credit

Accounting Template Name	Effective From	Stream Type	Transaction Type	Template Lines
VENDOR CURE DISBURSEMENT	[enter Date]	CURE	Disbursement	Debit and Credit

Vendor Program Agreements Details

Perform the following steps:

1. Define two Terms and Conditions for Termination Quotes calculations:
Early Termination of Contract, and End of Contract Term
2. Define Terms and Conditions (T&Cs) Sets for Collections. Set up the terms for each:
 - Collections Cure
 - Collections Refund
 - Collections Repurchase

Collections Cure T&Cs:

Is a cure applicable? Yes [or No]. Must be Yes to enable the feature of Cures, Refunds, and Repurchases.

Type of Cure: Full, or Partial (for example, Interest Only)

Days contract must be past due for requesting cure: (enter number of days)

Is **Shortfund** allowed? Yes or No. (See the contract Negotiated Amount.)

Collections Refund T&C:

Days the account must be in current status before refund [from lessor to vendor] required: (enter number of days)

Collections Repurchase T&Cs:

Days past due before repurchase can be requested: (enter number of days)

Number of cures before repurchase can be requested: (enter number of cures)

Termination Quote Type for Repurchase:

— Termination - Recourse With Purchase OR

On The Contract, Details: Negotiated Amount

The **Negotiated Amount** to settle the matter can be less than the cure amount due if **shortfund** is allowed in the contract's vendor program agreement Terms and Conditions.

Define Vendor Program Terms and Conditions

Most of the details of cures, repurchases, and refunds are defined in the attribute values of the terms and conditions of a vendor program agreement. The Terms and Conditions Set for defining cure, repurchase, and refund details is named Collections Cure and Repurchase. The particular terms and attribute values that you must define on vendor program agreements are described in the following table.

Vendor Program Terms and Conditions Set: Collections Cure, Refund, and Repurchase

Terms	Attributes
Collections Cure	Is cure applicable? Set this to YES if you want to enable the cure, refund, or repurchase functionality.
Collections Cure	Type of cure: Full Cure or Interest Cure
Collections Cure	Number of Days contract must be past due before lessor requests cure from vendor
Collections Cure	Is shortfund allowed? Is the vendor allowed to pay less than the negotiated amount?
Collections Refund	Number of Days contract must be in current (active, booked) status before refund (to vendor) required by lessee
Collections Repurchase	Days past due before lessor can request the vendor to repurchase the contract
Collections Repurchase	Number of cures vendor agrees to pay before lessor can request vendor to repurchase the contract

Terms	Attributes
Collections Repurchase	Termination Quote Type for Repurchase — Recourse: With Repurchase, or Without Repurchase?

To allow a vendor to perform cures, repurchases, and refunds, you must:

- Specify the Collections Cure and Repurchase terms and conditions set on the vendor program agreement.
- Define the terms and attribute values.

Within the Collections Cure and Repurchase terms and conditions set, select the terms and attribute values that satisfy your requirements. You must choose **Yes** for the Collections Cure attribute: Is cure applicable? because this value enables the cure, repurchase, and refund features.

Cure and Refund Attribute Details

The tables in this section describe the details of the attributes for each of the following terms:

- Collections Cure
- Collections Refund
- Collections Repurchase

Collections Cure Attribute Details

Attribute	Description
Is cure applicable?	If Yes, allows cures, repurchases, and refunds
Type of cure	For all contracts not in litigation, specifies whether the cure is to be Full (that is, cure the rents outstanding), or Interest (that is, cure only the interest on the amount outstanding)

Attribute	Description
Days contract must be past due for requesting cure	Number of days beyond the due date before the lessor is entitled to request a cure payment
Shortfund allowed?	Does the lessor allow the vendor to pay less than the negotiated amount?

Collections Refund Attribute Details

Attribute	Description
Days contract must be in current status (active, booked) before refund required	Number of days after a period of delinquency. Because the contract might become delinquent again, the lessor may wait for this number of days before refunding the vendor.

Collections Repurchase Attribute Details

Attribute	Description
Days contract must be past due for before requesting repurchase	Number of days the contract must be past due before the lessor may request the vendor to repurchase the contract
Number of cures before lessor can request repurchase	Number of cures the vendor must pay before the lessor may request the vendor to repurchase the contract
Termination Quote Type	Recourse: With Repurchase, or Without Repurchase

The next sections describe using the Cure, Refund, and Repurchase features after they have been set up.

Requesting a Cure or Repurchase

Requesting a cure or repurchase consists of the following procedures:

1. Identify Potential Cures, page 35-7.

Run the concurrent program Generate Cure Amount to identify potential cures.

2. Create a Cure or Repurchase Request, page 35-7.

A cure or repurchase request may be for one or more contracts. For each contract, decide whether you are requesting a cure, a repurchase, or both.

Create a cure or repurchase request by entering information on Vendor Cure Request pages.

There is a status associated with the request, which changes as follows:

- While you are creating the request, and are still adding contracts to the request, but have not yet submitted the request, the status is In Progress.
- After you have submitted the request, the status is set to Pending Approval.
- At this stage, an internal workflow is triggered, which requests approval; after this approval is given, the status changes to Approved.
- Finally, when you send the request, the status changes to Sent to Vendor. See Sending Cure Requests to Vendors.

3. Sending Cure Requests to Vendors.

Sending the request is optional. Run the concurrent program Send Cure Request to send email messages to the vendor or vendors.

Identify Potential Cures

This program examines all contracts, which have vendor programs, where the contract payments are overdue, and which fulfill the Cure and Repurchase terms and conditions for cure determination. Submit a request to run the concurrent program Generate Cure Amount.

Create a Cure or Repurchase Request

Perform the following steps:

1. Create a Cure Request.

Select Vendor Name, Vendor Location, Vendor Contact, Currency, Request Number

Search by Contract Number

Result: Status = Pending Approval

2. Use an approval workflow to get the cure request approved.
3. Complete the Cure Request: Create, Update, and Submit Cure Invoices.

Result: Status = Approved

The process of creating a cure or repurchase request, together with the contracts that must be cured or repurchased, consists of the following operations:

- Create the request
- Add one or more contracts to the request

Note: When you create the request, you can immediately add contracts to the request, or you can add them later.

Prerequisites

You must have first run a concurrent program, Generate Cure Amount, to identify potential cures.

Steps

On the Create Cure Request page, select or enter the following fields, then click Create.

- Operating Unit

Note: The list of values includes operating units assigned to the MO: Security profile.

Additional Information: The application displays the selected operating unit as the default in the subsequent pages irrespective of the value that you set for the MO: Default Operating Unit profile option.

The selected operating unit restricts the valid list of values in applicable fields.

- Vendor Name
- Vendor Location
- Vendor Contact
- Currency

- Request Number (may contain any alphanumeric characters, in any format)
- Request Type: Cure, Cure and Repurchase, Repurchase

Click Create.

At this point, a request has been created, with your specified request number, whose status is In Progress.

When you create the cure request, the next page that appears is the Cure Request - Add Contracts page.

If you want to add contracts to the request, continue at the next section, Adding Contracts to the Cure Request.

Adding Contracts to the Request

Perform the following steps:

Note: If you are adding contracts to the cure request in a different session to the one in which you created the cure request, you must first search for the cure request in the Cure Requests page.

Then click on the cure request hyperlink in the Results area.

The Cure Request Details page appears.

Click the Add Contract button.

The Cure Request - Add Contracts page appears.

1. On the Cure Request - Add Contracts page, search for contracts according to the following fields:
 - Contract Number
 - Customer Name
 - Program Agreement
2. In the Results area, select the Select check box of each of the contracts that you want to add to the request.
3. Click the Add to Request button.

When you add a contract to the cure request, the next page that appears is the Cure Request - Details page, that enables you to perform a variety of tasks, as designated by the buttons:

- Add Contract

- Update
- Submit

If you want to add more contracts to the cure request, click Add Contract and repeat the preceding steps.

Updating and Submitting the Request

Perform the following steps:

Note: If you are updating or submitting the cure request in a subsequent session, you must first search for the cure request in the Cure Requests page. Then click the cure request hyperlink in the Results area. The Cure Request Details page appears.

1. On the Cure Request - Details page, for each contract in the list, you can perform a variety of tasks before you terminate your work on the page.
 - Select the Remove check box, if you want to remove the contract from the list.
 - If you want to save the changes have made so far, but do not yet want to submit the request, click Update. After you click Update, the status of the request is still In Progress and you can continue to make changes to the request.
2. If you have entered all the information necessary to process the request, click Submit.
 - The status of the request changes to Pending Approval.
 - A workflow is called so that the request can be approved. This workflow requires Oracle Workflow to have been set up previously. See the *Oracle Lease and Finance Management Implementation Guide*.
 - If the request is approved, the status changes to Approved, and you cannot change any request details.

Sending Cure Requests to Vendors

You may send an individual approved request to a vendor, or all approved requests for a vendor, or all approved requests to all vendors. This is not mandatory.

Prerequisites

You must have requests that have been approved to be sent to the vendor.

Steps

Perform the following steps:

1. On the Submit Request page, select Send Cure Request.
2. Enter or select values for the following parameters:
 - Vendor Number
 - Report Number
 - Report Date
3. Click OK, then Submit.

Process Acceptance

After a vendor replies by accepting the cure or repurchase request, Oracle Lease and Finance Management processes the acceptance by creating invoices to the vendor for the cure amounts.

Prerequisites

Requests must have status Approved, Sent to Vendor, or Acceptance In Progress.

Steps

Perform the following steps:

1. On the Cure Requests page, search for the requests by entering a combination of search criteria in the following fields, and then click Go.
 - Vendor Name
 - Reference Number
 - Request Type
 - Approval Status. Select one of the following: All (the default), Approved, Pending Approval, Sent to Vendor, or In Progress.
 - Request Dates From and To
2. In the Results area, click the Process Acceptance Details icon.
The Process Acceptance Details page appears.

Select or enter values in the appropriate columns. For example, in the Process column, choose the request type to process. In the Negotiated Amount column, enter the payment amount allocated for the contract. Click Update or Submit.

Note: The negotiated amount for a contract is usually the amount past due. When payment from the vendor is received, Oracle Lease and Finance Management determines if the payment is less than negotiated—a shortfund. If it is a shortfund, the vendor program terms and conditions are checked to determine whether shortfunds are allowed.

- If shortfunds are not allowed, then any difference between the cure amount and the negotiated amount will be added to future cure requests.
 - If shortfunds are allowed, then the negotiated amount represents the final negotiation on the contract for that period, and does not add to future reports.
3. Run Billing concurrent programs:
 - Master Program - Process Billable Streams – Contracts
 - Master Program - Receivables Invoice Transfer
 - Autoinvoice Master Program
 4. Make the contract non-delinquent by applying cash against all the outstanding contract amount
Cure Invoice amount = Negotiated Amount
 5. Navigate to Create Manual Receipt page. Search by Contract Number and pay out the whole amount. Run the following concurrent programs:
 - Generate Cure Amount
 - Generate Cure Refund

Create a Cure Refund for a Vendor

When a lessee makes payments on a contract after the vendor has made cure payments, you can either directly refund the vendor's original cure payments, or indirectly refund the vendor by offsetting the received payment against other contracts that require cure payments by the same vendor.

Vendors > Cure Refund > Create Cure Refund

1. On the Create Refund page, enter or select values and click Create.

In the Summary Results table click Details. You can offset the refund amount by selecting an offset contract in the list of values. Click Submit.

In the Refund Summary Results table, status = Pending Approval.

2. Complete the Cure Refund by searching for it:
Vendors > Cure Refund > Search for the Cure Refund Number
Result = status Approved

Prerequisites

You must have first run a concurrent program, Generate Cure Refund, to identify contracts that can be refunded.

Steps

From the Cure Refund page, which displays vendor summary information in the header, you can perform the following operations:

- Create a new refund for the vendor
- Query or update refunds for the vendor
- Approve a refund

Create a New Refund for the Vendor

1. On the Cure Refund page, click Create Refund.
The Create Refund page appears. Select or enter:
2. Operating unit

Note: The list of values includes operating units assigned to the MO: Security profile.

Additional Information: The application displays the selected operating unit as the default in the subsequent pages irrespective of the value that you set for the MO: Default Operating Unit profile option.

The selected operating unit restricts the valid list of values in applicable fields.

3. Currency for the refund

4. Refund Type (optional)

- Include All Sites - include all contracts due for a refund, across all vendor sites, in the request
- Vendor Site - include only contracts specific to a site that are due for a refund, in the request.

Both values also show the refund amount due, the outstanding cure amounts due for the vendor, and the outstanding cure amounts due for the vendor site.

5. Contract Number, if you want to select an individual contract

The only contracts you can choose are contracts due for a refund.

6. Refund number (any format)

7. Refund Due Date

Refund Amount Due (display-only)

8. Disbursement Amount (amount to refund to the vendor) Must not be more than the Refund Amount Due.

Two fields display the outstanding cure amounts due from the vendor, and for the vendor site.

9. payment terms for the refund

10. payment method for the refund

11. description (optional)

12. Click Create.

A refund is created with a status of Entered.

Query or Update Refunds for the Vendor

1. Enter selection criteria for one or more of the following fields, then click Go:

- Refund Number
- Refund Due Date From
- Refund Due Date To

The Results area displays a list of the following, associated with each refund:

- Refund Number

- Refund Due Date
 - Currency
 - Refund Amount
 - Disbursement Amount
 - Payment Terms
 - Payment Method
 - Status
2. You can only update refund details if the refund status is Entered. Click the refund number hyperlink.
 3. In the Update Refund page, edit the fields, then click Update.
 - Refund Due Date
 - Payment Terms
 - Payment Method

To Approve a Refund

In the Cure Refund page, in the Results area, click Submit for the refund you want to approve. This creates a transaction to generate the disbursement to the vendor in Oracle Payables.

Vendor Residual Sharing

This chapter covers the following topics:

- Overview
- Business Process
- Vendor Residual Sharing Setup
- Define Vendor Residual Sharing Terms
- Calculate and View Vendor Residual Sharing
- View Vendor Share in Vendor Self Service

Overview

Operating and program agreements define your rights and obligations when providing leasing services for vendors. You can define terms and conditions in these agreements to mitigate two primary sources of risk inherent in lease contracts: default on the payment stream and loss on the equipment's residual value. You can define terms for vendor cure to minimize the risk of lessee default on payments and define vendor residual sharing terms to share the profit or loss on the residual to minimize residual value exposure.

To process residual profit or loss sharing with vendors, first create a program agreement with terms and conditions specifying how the profit or loss is calculated and shared with the vendor. Then during contract origination, assign the program agreement to the lease contract. When you remarket the asset, a Oracle Lease and Finance Management concurrent program calculates the profit or loss on the residual position and distributes the gain or loss to the vendor through Oracle Payables. The vendor can view his share of the residual profit or loss in Vendor Self Service. In addition, you can run a concurrent program to view residual sharing transactions.

Business Process

The following table describes the Oracle Lease and Finance Management vendor residual sharing business process.

Vendor Residual Sharing Business Process

Process Task	Description
Create Vendor and Program Agreement	You create the vendor in Oracle Purchasing and on the program agreement.
Create Custom Formula	Optionally, you can create a customized formula for calculating the vendor residual loss or gain.
Define Residual Sharing Terms	After you create a program agreement, select the vendor residual sharing formula and define the sharing percentages.
Assign Program Agreement to a Lease Contract	Create a lease contract under a program agreement. The lease contract product must include the vendor residual share stream type.
Remarket the Asset	Sell or scrap the asset.
Calculate the Residual Profit or Loss	Run the OKL Vendor Residual Sharing concurrent process to calculate the profit or loss.
Distribute the Profit of Loss through Oracle Payables	Account for the amount due to or from the vendor in Oracle Payables.
Run and Review the Residual Sharing Report	Generate the report OKL Report - Vendor Residual Share Report to review the results.
View Residual Sharing in Vendor Self Service	The vendor can view the sharing amounts in Vendor Self Service.

Vendor Residual Sharing Setup

To set up vendor residual sharing, see Set Up Vendor Residual Sharing, *Oracle Lease Management Implementation Guide*.

Define Vendor Residual Sharing Terms

When you define the residual sharing terms on a program agreement, the terms apply to all contracts associated to that program agreement. The terms defined are the formula to use and the sharing percentages. You can define residual sharing percentages for multiple vendors in a program agreement.

To define residual sharing terms, use the Program Agreements details page of the applicable program agreement. Select Term Sets.

The Vendor Gain/Loss Residual Share Term Set is defaulted to the program agreement. Click the update icon for the Vendor Gain/Loss Residual Share Term Set.

In the Vendor Residual Share page, select the formula in the Residual Formula field. If no formula is selected by the user, Oracle Lease and Finance Management will use the seeded formula, Vendor Residual Share. You can add a row and select the vendor name in the Party Name column. Enter the residual share percentage for each party, including your share. The total of the residual percentages for all vendors and the lessor must equal 100%. Click Apply.

Calculate and View Vendor Residual Sharing

After you remarket or dispose of assets, run the Vendor Residual Sharing concurrent program. Oracle Lease and Finance Management uses the seeded or user-defined formula and the vendor share percentages to calculate each vendor's share of the profit or loss. Oracle Lease and Finance Management then accounts for the liability to the vendor and either processes a disbursement or a debit memo to the vendor through Oracle Payables. To calculate, account for, and process vendor residual sharing, complete the following tasks.

- Define Residual Sharing Terms, page 36-3
- Run the Vendor Residual Sharing Concurrent Program
- Review Vendor Residual Sharing Report

Run the Vendor Residual Sharing Concurrent Program

In the Oracle Lease and Finance Management Processing tab, run the concurrent program Vendor Residual Sharing to calculate the vendor residual sharing amounts to be shared by each vendor. This concurrent program uses the residual sharing formula defined on the program agreement to calculate the vendor share and create an Oracle Payables transaction for the amount due to each vendor. Amounts due from vendors are treated as a debit memo. All disbursement transactions are processed through Oracle Payables, which allows the netting of debit memos against other liabilities to the vendor.

Review Vendor Residual Sharing Report

After calculating the sharing amount, run the concurrent program, OKL Report- Vendor Residual Share Report to report the sharing obligations for each asset. This report displays the program agreement number, contract number, asset number, asset termination and disposition dates, and the sharing amounts for each asset.

View Vendor Share in Vendor Self Service

Vendors can view the residual sharing results in Vendor Self Service, including Asset Number, Program Agreement Number, Asset Termination Date, Asset Disposition Date, and Vendor Share.

Prefunding and Short Funding

This chapter covers the following topics:

- Prefund Pools
- Prefunding
- Short Funding

Prefund Pools

A Prefunding Pool is an arrangement between a lessor and a vendor that establishes a credit line that allows for monies to be disbursed in advance to the Vendor in anticipation of future contract or deal originations by the vendor. You can search for, create, update, or end date or terminate prefunding pools by navigating to the **Prefund Pools** subtab under **Vendors**.

Once the prefunding pool is approved, there is an Initial Payout amount (specified for the pool) that is disbursed to the vendor. When a contract is booked and funded for the vendor, the funding of the contract results in a Drawdown transaction that reduces the pool balance.

Managing Prefund Pools

You can create new pools, submit them for approval, increase pool amounts, decrease pool amounts, terminate a pool or end date it using an adjustment request. Any decrease or termination of a pool results in a receivable invoice to the vendor for any outstanding pool balance or to adjust the pool by the decrease amount. Pool balances are reduced by the amount of any eligible disbursements for which the pool is approved. You can view balances and pool transactions by navigating to the **Transaction History** tab.

Note: Approval is not required to reduce pool balance or end date a pool.

Updating Prefund Pool Balance

You can increase or decrease the pool amount, and terminate the pool from the **Pool Funds** tab of the **Prefund Pool Details** page.

1. Click the **Update** button.
2. Click **Add Row** to create a transaction.
3. Enter the following details:
 - Request Type: Select **Add** or **Reduce** from the drop-down list.
 - Request Date
 - Amount

Note: The due date for **Add** transaction will always be the system date.

4. Click the **Submit** button to submit the transaction for approval.

The pool balance is increased only upon request approval, and the resulting AP invoice paid in full. Similarly, for transactions of type Reduce, AR invoices are raised. On successful creation of AR invoice, the balance on the pool is reduced.

If the **Terminate** button is clicked from the Update page, then the pool is terminated as of system date. Any unconsumed pool balance is refunded by vendor through AR invoices generated by the system.

Important: Existing vendor disbursement terms do not apply to prefunding disbursements and such disbursements cannot be combined or consolidated with any other type of disbursement.

Pool Management Program

The concurrent program, **Pool Management**, processes eligible disbursement transactions like Asset, Expense funding, and so on. The program applies disbursement transactions to the pool based on:

- Disbursement types
- Vendor sites on the transaction and pool

Note: Due date of the funding request should be equal to or less than

system date.

The following rules apply when associating a pool to a vendor funding or passthrough:

- The pool must be active, not inactive or terminated, and have a sufficient balance to cover the funding request amount.
- The pool must be active on the first date of the passthrough line (due date of passthrough AP invoice)
- The vendor and vendor site of the funding request or passthrough vendor must match the prefunding pool.
- The pool must be valid for the disbursement type selected (for example, asset, expense, or passthrough).

Accounting for Pool Transactions

Deduction transactions originating in Oracle Lease like funding or passthrough disbursement is accounted in Oracle Lease. These transactions are not interfaced with Payables. There are two accounting events, transaction creation and transaction application to the pool. The following table contains the accounting setups:

Accounting for Pool Transactions

Pool Event	Event	Accounting Template	Transaction Type	Stream
Pool Add	Funding	FUNDING-PREFUND POOL	Funding	PREFUNDING POOL PAYABLE
Pool Reduce or Terminate	Billing	BILL-PREFUNDING POOL RECEIVABLE	Billing	PREFUNDING POOL RECEIVABLE

Prefunding

Prefunding is the funding to vendors performed on Contract before the contract is booked without reference to particular assets on the contract. You can advance monies to vendors for the assets in progress before the contract is booked. You can raise prefunding requests, for which payable invoices are generated.

The Terms and Conditions for Prefunding capture the following details:

Field	Description
Interim Interest	Select Billed, Capitalized or Exempt/Waived
Bill at Booking	Select this checkbox if you want to bill at the time of booking
Bill To	Select Lessee or Vendor
Interest Calculation Formula	Select the formula you would like to use for interest calculation from the list of values
Interest	Select Fixed or Floating
Interest Index	Select Interest Index from the drop-down list
Adder Rate	Capture adder to the interest rate derived from the Index
Base Rate	For Fixed Rate Interest, this is the interest rate
Late Charge	Select Billed, Capitalized or Exempt/Waived
Late Charge Policy	Select your late charge policy from the list

- If you select **Interim Interest** as **Exempt**, **Late Charge** cannot be **Billed** or **Capitalized**. **Interim Interest** and **Late Charges** are not calculated and they will remain exempt. You can waive them before booking of the contract, in which case also they will not be posted.
- If you select **Interim Interest** as **Capitalized**, **Late Charge** cannot be **Billed**.
- If you select **Interim Interest** as **Capitalized**, you cannot change it to **Billed** or **Exempt** after the first run of the Interest Calculation program.
- If **Interim Interest** is updated from **Billed** to **Capitalized**, then even the late charge calculated previously will be capitalized.

Interest Calculation

The **Interest Calculation** program is used to calculate and bill the interest, and is used when the **Interim Interest** option is set to **Billed**. It calculates the Interim Interests on

the prefunded amounts. You can associate a formula for calculation of the interest.

- **Days** convention for interest calculation is derived from the **Streams Generation** template applicable to the contract. **Actual/360** and **Actual/365** are the two options available.
- Interest calculation for each individual prefunding request considers **Days Outstanding** for calculation of interest as follows:
 - For a new prefunding request, days between actual funding date and **To Date** on the interest calculation program.
 - For a prefunding request which exists from the earlier interest program, days between last interest program **To Date** to the current interest program **To Date**.
- An accrual transaction is created for the **Interim Interest** amounts for a particular month. Accruals are created for an amount equal to the interest amounts as calculated by the formula. You have to define an accounting template for **Accrual Accounting** for these amounts.

Billing and Accruals

Billing programs pick up amounts calculated by Interest Calculation program and Late Charges program and bill the amounts.

- Billable amounts are billed based on **Monthly** or **Bill at Booking** options.
- Accruals transactions for **Bill At Booking** option is generated at the time of the Interest Calculation program run for the amounts calculated as interests.
- Late Charge program derives late charges on Interim Interest invoices before booking of the contract.
- Late charges are not calculated if the **Interest** option is **Capitalized, Exempt** or **Bill at Booking**.
- Billing at booking is triggered at the final step of contract booking, after contract approval.

Capitalization

Provide the assets details for capitalization at the time of creating prefunding requests.

- Interest and late charges capitalization to assets are directly based on the identified assets. If prefunding requests are created without asset details, then the interest and late charge capitalization are prorated based on the asset's Original Equipment Cost (OEC) existing at the time of the prefunding requests.

- Accrual transactions are not created for Interim Interest if the **Interest Calculation** option is **Capitalized**.
- Capitalization is triggered when you navigate to the **Summary** tab of the contract before booking.

Updating Interest and Late Charge Options

You can update **Interest** option from **Billed** to **Exempt** or **Capitalized**.

- If Invoices are generated under the **Bill** option initially, you can update the option to **Capitalize** or **Waiver** just before booking of the contract. If invoices are generated and circulated, then those invoices have to be closed through automatically generated credit memos. Interest accrual also has to be reversed. The invoices are closed through credit memos.
- If invoices are receipted, then you cannot make this update.

Capturing Asset Details

If prefunding is against identified assets under construction, build and so on, then you can associate the asset details against prefunding requests. This association of payments (funding) made for specific assets:

- generates the proper asset-level accounting and trial balances
- has an auditable trail that assets have been paid for in the event that title needs to be verified or proven (for example, for a repossession)

Progress Payment

Progress Payment is the funding to vendors performed on contract before the contract is booked with reference to particular assets on the contract. The payment is towards the progress made on the assets for intended use.

Use the **Fund Asset** funding type to capture prefunding amounts against assets. Interim interest is prorated to all assets based on the OEC if the **Interest** option is **Capitalized** for prefunding, and to assets identified for progress payments.

- Use **Fund Assets** funding type for prefunding if the assets are identifiable at the time of prefunding.
- Interest calculation logic leverages the **Day** conventions of **Actual/360** or **Actual/365** from the contract product's **Stream Generation** template.
- Interim interest is prorated to all assets based on the OEC if the **Interest** option is **Capitalized** for prefunding and to identified assets for progress payments.

- Interest parameters cannot be updated after interest calculation.

Short Funding

Short funding is the process of adjusting or netting funding transactions in which the vendor owes to lessor, by adjusting the Payable and receivables at the same time. The short funding feature enables the user to select the eligible AR targets to credit off against the short funded amount. Short funding process consists of the following:

1. Creating a Short Fund request.
2. Associating the funding request (AP Target).
3. Selecting the AR Targets (which decides the amount of the Short Fund).
4. Automatic netting of Receivable and Payables.

You can search for, create, update, cancel and submit a short fund request from the **Funding Requests** page under **Risk Management**.

Creating a Short Fund Request

Perform the following steps to create a short fund:

1. Navigate to **Risk Management: Funding Requests** and select the contract for the short fund request.
2. Under **Funding Requests**, from the **Create Funding Request of Type** list, select **Supplier Retention**. Click **Go**.
3. Fill in the required information in the **Create Funding Request: Funding Request** page. The **Amount** is defaulted from the funding request number entered. **Payment Term**, **Pay Group**, and **Date Due** are defaulted from the funding request number selected as AP target.
4. Select **Invoice Type** as **Credit**.
5. Select a **Related Funding Request** number from the list of values for association with the short fund request.
 - Funding requests created on the current contract (same contract on which short fund is created) are available on the list.
 - The amount outstanding on the funding request automatically gets populated in the amounts columns of the short funding request.
 - The AR targets should be less than or equal to total of AP target.

- The funding request should be against the same vendor for which the short funding is being created.
6. Click **Next** to navigated to the **Short Fund Details** page. This page is used to record all the classes of AR targets whose open balance is netted off during the processing of short fund request. The page also displays the netting off status, amount, and AR credit memo details after the short fund request is processed.

The eligible vendor obligations are:

- Advance payments - Down payment, security deposit and the advance monies received on rental. These are the payment made by the Lessee or customer directly to the Vendor.
 - Outstanding AR invoices against the vendor or AR invoices directly created in AR.
 - Dealer subsidies.
 - Termination quote amount. This includes Tax lines and Bill not paid AR Invoices as well and all charges on the termination quote like penalties and fees.
7. Enter the Receivables Targets for netting.
 8. Click **Next** and select the **Finish** button.
 9. **Submit** the short funding request for approval from the **Funding Requests** table.

Once the request is approved, the existing disbursement interface creates a payable invoice and credit memo equivalent to the sum of the targeted vendor obligations with the approved amount.

Short Fund Application Concurrent Program

In case of short fund for Termination Quote and Advance Monies, the netting process creates on-account credit memos irrespective of whether AR Invoice exists. The application of relevant invoices to on-account credit memos are done once the invoices are available in AR. The application of on-account credit memos to AR invoices from the advances are performed by the Short Fund Application concurrent program. You can schedule this daily.

Vendor Self Service

This chapter covers the following topics:

- Overview
- Vendor Self Service Prerequisites
- Vendor Self Service Home
- Vendor Self Service Agreements
- Vendor Self Service Quotes
- Vendor Self Service Contracts
- Vendor Self Service Customers
- Vendor Self Service Accounts

Overview

Oracle Lease and Finance Management Vendor Self Service provides vendors the ability to manage lease contracts with their customers, and vendor agreements with you, the lessor. Vendors can be equipment manufacturers, distributors, or dealers.

Vendor Self Service Prerequisites

Before vendors can use Vendor Self Service, the following setup tasks must be completed:

- Vendors must be granted access to Vendor Self Service.

To grant vendors access to Vendor Self Service, see Vendor Self Service User Setup, *Oracle Lease and Finance Management Implementation Guide*.

- The following Vendor Self Service profile options must be specified.
 - OKL: AR Payment Method for Credit Card

- OKL: Insurance Quote Duration in Days

For information on profile options see Define Profile Options, *Oracle Lease and Finance Management Implementation Guide*.

Vendor Self Service Home

Vendors can perform the following tasks from the Oracle Lease and Finance Management Vendor Self Service Home page:

- view notifications, page 38-2
- view and create bookmarks, page 38-2
- use shortcuts , page 38-2

View Notifications

The Vendor Self Service Home page provides Vendors a list of their most important notifications as well as the option to view a full list of notifications.

View and Create Bookmarks

The Vendor Self Service Home page lists all bookmarks created by the Vendor in the My List region. Bookmarks can be used as shortcuts to important lease contract and program agreement information.

Use Shortcuts

Vendors can use Shortcuts to begin important lease contract tasks. The created shortcuts are listed in the Shortcut region.

Vendor Self Service Agreements

Vendors can use the Agreements tab to perform the following tasks:

- search for agreement, page 38-2
- view agreement details, page 38-3

Search for Agreement

Vendors can locate agreements by performing either a Simple or Advanced Search in the Agreements tab. A Simple Search includes the following parameters:

- Agreement Number
- Category
- Parent Agreement Number

An Advanced Search allows vendors to expand or refine their search criteria.

View Agreement Details

Vendors can view agreement details by clicking on the agreement number in the Agreements page. The Agreement Details page provides information for operating and program agreements, such as billing information, terms and conditions, articles, contracts, and parties.

Residual Share

Vendors can view vendor residual sharing details by selecting the asset in the Residual Share subtab of the Agreements tab. Details include asset number, agreement number, asset termination date, disposition date, vendor share, and currency.

Related Topics

Vendor Residual Sharing Setup, page 36-2

Define Vendor Residual Sharing Terms, page 36-3

Calculate and View Vendor Residual Sharing, page 36-3

Vendor Self Service Quotes

Vendors can use the Quotes tab to create quick quotes, lease sales quotes, lease applications, prospects, and search for vendor programs. Oracle Lease and Finance Management includes security functionality to prevent vendors from viewing or modifying lessor-originated quotes or lease applications.

Vendors can perform the following tasks in the Quotes tab:

- create quick quotes
- create lease opportunity
- create sales quotes
- create lease applications
- create prospects

Create Quick Quotes

Vendors can search for, create, update, compare, view, validate, duplicate, and cancel quick quotes. Vendors can also convert a quick quote into a lease opportunity.

Search for Quick Quote

Vendors can search for quick quotes in the Quick Quotes subtab of the Sales tab. Search criteria include the following details:

- Quote Number
- Prospect
- Vendor Program agreement
- Associated Operating Units

Create Quick Quote

Vendors can create quick quotes by performing the following tasks in the Quick Quotes subtab:

- Enter Quote Details
- Enter Order Estimate
- Enter Pricing Options
- View Quote Results

The Quick Quote Details page filters appropriate vendor programs and pricing types. Oracle Lease and Finance Management does not display yields to vendors for security reasons. Quick quotes can be viewed, updated, validated, and canceled.

Compare Quick Quotes

Vendors can compare up to three quick quotes at a time. The quotes compared must have been created by the vendor. Quick quotes are compared by selecting the quotes in the Quick Quotes page and clicking Compare.

Create Lease Opportunities

Vendors can search for, create, update, view, duplicate, and cancel lease opportunities.

Search for Lease Opportunity

Vendors can search for Lease Opportunities in the Lease Opportunities page of the

Sales tab. Search parameters include lease opportunity Number, Description, Prospect, Vendor Program, Expected Start Date, and Status. Vendors can only search for lease opportunities that they have created.

Create a Lease Opportunity

Vendors can create Lease Opportunities by completing the following tasks:

- Enter Lease Opportunity Details
- Enter Estimates
- Create or Update Sales Quotes
- View Lease Applications

Create Lease Sales Quotes

Vendors can create lease sales quotes from a lease opportunity. Vendors can also create, update, view, and cancel lease sales quotes and submit them for approval. Sales quotes can be submitted for pricing.

Vendors initiate the quote process from the Lease Opportunity Details page. Vendors can also duplicate a quote to create a new one.

Create Lease Applications

Vendors can create lease applications to request credit approval for a deal.

Additionally, they can view, update, duplicate, and cancel lease applications that they have created. Vendors can also submit lease applications for pricing, approval, and initiate credit checks on prospects.

Search for Lease Application

Vendors can search for Lease Applications in the Lease Applications page of the Sales tab. Search parameters include lease application Number, Type, Prospect, and Status. Vendors can only search for lease applications that they have created.

Create Prospects

Vendors can create prospects in Oracle Trading Community Architecture (TCA).

Vendor Self Service Contracts

Vendors can use the Contracts tab to search for contract related information and perform contract, quote, and insurance tasks on active, booked contracts.

Vendors can perform the following tasks in the Contracts tab:

- search for contract, page 38-6
- view contract details, page 38-7
- request billing change, page 38-8
- request invoice format change, page 38-8
- search for assets, page 38-8
- view asset details, page 38-9
- view asset returns, page 38-10
- update serial numbers, page 38-10
- update asset locations, page 38-10
- view insurance details, page 38-10
- submit insurance details, page 38-11
- submit insurance claim, page 38-11
- search for and view quotes, page 38-11
- request insurance quote, page 38-11
- accept insurance quote, page 38-11
- request renewal quote, page 38-12
- accept renewal quote, page 38-12
- request termination quote, page 38-12
- view payment schedule details, page 38-13
- update counter readings, page 38-13

Search for Contract

Vendors can locate contracts by performing either a Simple or Advanced Search in the Contracts tab. A Simple Search includes the following parameters:

- Contract Number

- Agreement Number
- Customer Name
- Account Number
- Contract Status

An Advanced Search allows vendors to expand or refine their search criteria.

Customers can bookmark contracts for future reference.

Related Topics

[view contract details, page 38-7](#)

View Contract Details

Vendors can view a lease contract's details by locating and selecting the contract. A side navigation menu on the Contracts page lists the contract detail options described in the following table:

Contracts Page Navigation Menu

Menu Items	Information
General Information	Includes customer information, rental period, and parties to a contract. You can enable vendors to view additional descriptive flexfield contract information by setting the OKL: View Contract Additional Information in Vendor Self Service profile option to Yes.
Terms and Conditions	Includes general Terms and Conditions information, billing information, interest type, purchase options, termination options, and security deposit details. Billing and invoice format change requests can be submitted.
Assets	Assets information, including asset level billing setup details, add-ons, services, insurance, return, and serial number information. Some information can be updated.
Amortization Schedule	Amortization schedule details for loans

Menu Items	Information
Fees	Contract fees and payment details
Insurance	View and update insurance policy details for a contract
Insurance Quotes	Information on contract insurance quotes
Payment Schedule	Rent and other payments for a contract. Click on the Details icon to view cash flow streams, such as rent amounts over the term of a contract.
Renewal Quotes	Information on contract renewal quotes
Services	Services on a contract. If the service line is linked to a service contract, this will also be displayed.
Termination Quotes	Information on contract termination quotes

Request Billing Change

Vendors can request a new Bill To Site Number in the Billing Information region of the Terms and Conditions page of the Contracts tab by clicking on Request Billing Change, entering the new Bill To Site Number, and submitting the request.

A workflow notification of your approval or rejection of the billing change request will be sent to the vendor.

Request Invoice Format Change

Vendors can request an invoice format change in the Billing Information region of the Terms and Conditions page of the Contracts tab by clicking on Request Invoice Format Change, selecting a New Invoice Format from the menu, and submitting the request.

A workflow notification of your approval or rejection of the invoice format change request will be sent to the vendor.

Search for Assets

Vendors can locate assets by performing either a Simple or Advanced Search in the Assets page of the Contracts tab. A Simple Search includes the following parameters:

- Asset Number
- Contract Number
- Customer Name
- Account Number
- Asset Description

An Advanced Search allows vendors to expand or refine their search criteria.

Related Topics

[view asset details, page 38-9](#)

View Asset Details

Vendors can view asset details by locating and selecting the asset. A side navigation menu on the Assets page lists the contract detail options described in the following table:

Assets Page Menu

Menu Item	Information
General Information	View asset header information, update serial numbers, and update installed location.
Add-Ons	View details about add-ons associated to an asset.
Billing	View a list of related invoices and outstanding balances associated with an asset.
Insurance	Insurance policies associated to an asset.
Return Information	View shipping instructions, contact details, and shipping addresses for an asset.
Serial Numbers	View and update serial numbers for an asset.
Services	View service and maintenance associated with an asset.

View Asset Returns

Vendors can view asset return information by entering full or partial search information on the Asset Returns page to locate an asset.

Related Topics

Asset Returns, page 25-1

Update Serial Numbers

Vendors can update serial numbers for multiple units or a single unit of an asset by locating the asset, selecting Serial Numbers from the Assets page menu, entering the new serial number, and submitting the request.

When the vendor submits a request for a new serial number, you receive notification of the request and either accept or reject the request. If you accept the request, Oracle Lease and Finance Management updates the serial number and sends notification to the vendor. If you reject the request, the vendor will also be notified.

Update Asset Locations

Vendors can update asset locations by locating the asset to be updated, selecting the asset, clicking Update Asset Location, choosing a new location from the list of values, and submitting their request.

When the vendor submits a request for a new asset location, you receive notification of the request and either accept or reject the request. If you accept the request, Oracle Lease and Finance Management updates the location and sends notification to the vendor. If you reject the request, the vendor will also be notified.

View Insurance Details

Vendors can view insurance policies associated to a customer's lease contract in the Insurance page of the Contracts tab. Vendors can choose an insurance provider, enter policy details, review, and submit a policy request or update.

Related Topics

submit insurance details, page 38-11

submit insurance claim, page 38-11

request insurance quote, page 38-11

accept insurance quote, page 38-11

request renewal quote, page 38-12

accept renewal quote, page 38-12

request termination quote, page 38-12

Submit Insurance Details

Vendors can submit insurance policy details by selecting a contract, choosing an insurance provider, entering policy details, reviewing the insurance details, and clicking Submit. Vendors can submit third party policy details only, not policies obtained through the lessor.

Submit Insurance Claim

Vendors can submit claims against an insurance policy on the customer's lease contract by locating the policy, entering the claim details, and submitting the claim. When the claim is submitted, Oracle Lease and Finance Management generates a claim and sends a claim notification for you to process.

Request Insurance Policy Cancellation

Vendors can cancel an insurance policy by clicking the Cancel icon in the Policies page of the Contracts tab and submitting a request for cancellation.

Search for and View Quotes

Vendors can locate and view quotes from the Quotes page of the Contracts tab. Quote search criteria can be specified by quote number, contract number, and quote type. Examples of quote types are Insurance Quote, Renewal Quote, Repurchase Quote, and Termination Quote.

To search for all quotes on a contract, enter the quote number and click Go.

When a quote appears in the Results region, click on the quote to view quote details.

Related Topics

submit insurance details, page 38-11

submit insurance claim, page 38-11

Request Insurance Quote

Vendors can request an insurance quote in the Contracts tab by selecting Insurance Quote from the Contracts tab menu, clicking on Request Insurance Quote, choosing an insurance type, entering the quote information, reviewing, and submitting the information.

Accept Insurance Quote

Once a vendor has requested an insurance quote, they have the option of accepting,

rejecting, or deferring a decision on the insurance quote.

When an insurance quote is accepted by the vendor, Oracle Lease and Finance Management attaches the new insurance policy to the lease contract.

If the vendor defers their decision on the insurance quote, the quote can be saved until its expiration on the quote effective date. Vendors can return to Vendor Self Service later to accept the quote.

Request Renewal Quote

The lessor can create a renewal quote at the vendor's request.

Accept Renewal Quote

Once a vendor has requested a renewal quote, and you have received the notification and created the renewal quote, the quote goes back to the vendor for approval. The vendor has the option of accepting or rejecting the renewal quote.

Request Repurchase Quote

Vendors can request an asset repurchase quote in the Quotes page on the Contracts tab.

Request Termination Quote

Vendors can request a termination quote in the Contracts tab by performing the following tasks:

- locate the contract
- enter the quote details
- select the assets
- enter the quantity to terminate
- select the serial numbers to terminate
- review and submit the request

When the vendor submits a request for a termination quote, Oracle Lease and Finance Management performs validation checking to verify that the quote recipient exists and that the lease contract's terms and conditions permit termination quotes.

If the validation fails, the vendor will receive a notification of the failure. If the validation passes, the vendor will be notified when an approved quote is created.

When the vendor accepts the termination quote, it is updated as Accepted and processed for termination.

View Payment Schedule Details

Vendors can view the lease contract payment schedule summary by clicking on Payment Schedules on the Contracts tab menu. Payment schedule details are accessed from the Details icon of the Payment Schedule page.

Update Counter Readings

Vendors can view and update the history of counter readings in the Counters page of the Contracts tab by locating the counter, updating the information, and submitting an update request.

Vendor Self Service Customers

Vendors can use the Customers tab to access customer accounts, invoices, and payments.

The following tasks are performed in the Customers tab;

- search for customer account, page 38-13
- view customer account details, page 38-14
- view customer invoice details, page 38-14
- make customer payment, page 38-14

Search for Customer Account

Vendors can locate a customer account by performing either a Simple or Advanced Search in the Accounts page of the Customers tab. A Simple Search includes the following parameters:

- Account Number
- Account Name
- Customer
- Status

An Advanced Search allows vendors to expand or refine their search criteria.

Related Topics

view customer account details, page 38-14

view customer invoice details, page 38-14

View Customer Account Details

Vendors can view customer account details by clicking on the account number in the Accounts page. Customer account details include the following information:

- general information
- contacts
- bank accounts
- sites

Click on the Site Details icon to view site details for Bill To, Install At, Legal, and Ship To addresses.

View Customer Invoice Details

Vendors can view customer invoice details by clicking on the invoice number in the Invoices page. Customer invoice details include the following information:

- invoice lines
- payment details
- customer information

Make Customer Payments

Vendors can make customer payments using credit card or bank account transfer. Oracle Lease and Finance Management integrates with Oracle Payments for payment authorization.

To make payments, use Make payment link provided on the Home page of customer self service or first search for an invoice and select Make payment button on Invoice result table.

For more information on Make Customer Payment, see Make a Payment, page 32-12.

Vendor Self Service Accounts

Vendors can use the Accounts tab to view account profile information and disbursements. The following tasks are performed in the Accounts tab:

- Search for Disbursement, page 38-15
- View Disbursement Details, page 38-15

- [View Account Profile Details, page 38-15](#)

Search for Disbursement

Vendors can locate disbursements by performing either a Simple or Advanced Search from the Disbursements region of the Accounts tab. A Simple Search includes the following parameters:

- Disbursement Invoice
- Vendor Invoice
- Contract Number
- Status
- Start Date
- End Date

An Advanced Search allows vendors to expand or refine their search criteria.

Related Topics

[Search for Disbursement, page 38-15](#)

[View Disbursement Details, page 38-15](#)

View Disbursement Details

Vendors can view Disbursement invoice details from the Disbursements page of the Accounts tab after locating a disbursement, by clicking on the disbursement number to open the Disbursement Invoice Details page. The Disbursement Invoice Details page provides summary information for the disbursement.

View Account Profile Details

Vendors can view vendor account profile details in the Profiles page of the Accounts tab. Vendor account profile details include the following information:

- general account information
- bank accounts
- sites

The following site details can be viewed by selecting a site and clicking the Details icon:

- site usage

- payment terms
- bank accounts
- contacts

Part 13

Reporting

Business Reporting

Business Reporting Overview

Oracle Lease and Finance Management integrates with the Oracle E-Business Suite enabling you to use the powerful tools of the E-Business Suite to generate the reports you need to support your business. In addition to providing you with a flexible report generation engine, standard reports are available from the integrated E-Business Suite applications that Oracle Lease and Finance Management uses to complete common business processes. Together with the standard reports provided by Oracle Lease and Finance Management, you have a large suite of out-of-the-box reports that you can use to meet your reporting needs.

Oracle XML Publisher

Oracle XML Publisher is the standard reporting tool used by the E-Business Suite to define and generate business reports. XML Publisher works by separating the data, report layout and user interface translation aspects of generating a report into the following components:

- A data template translates information from your single production instance into a structured XML file.
- A report template created using file formats available in common desktop programs (such as rtf, doc, and pdf) determines the content of your report.
- A user interface translation component provides the ability to view the generated report in the your page.

All of the standard reports available in Oracle Lease and Finance Management are generated using XML Publisher. Additionally, many of the reports available from the other products in the E-Business Suite are also generated using XML Publisher. Since most of the reports available in the E-Business Suite are generated using XML Publisher, you can modify the standard reports to fit your needs without having to

create a new report and all of its components. If you cannot use or modify an existing report, you can also use XML Publisher to generate custom reports.

For information on how to set up XML Publisher in Oracle Lease and Finance Management, see *Set Up XML Publisher, Oracle Lease and Finance Management Implementation Guide*.

For more information on XML Publisher, see the *Oracle XML Publisher Administration and Developer's Guide* and the *Oracle XML Publisher Report Designer's Guide*.

Oracle E-Business Suite Reporting

Oracle Lease and Finance Management integrates with several modules in the E-Business Suite to complete many common business processes. For example, any billings generated using Oracle Lease and Finance Management are created as invoices, credit memos, or adjustments in Oracle Receivables. The integration of Oracle Lease and Finance Management with standard E-Business Suite modules means you can use many of the standard reports from those products for much of your business and accounting reporting.

To see a list of reports used in Oracle Lease and Finance Management, see Appendix B - Concurrent Programs and Reports.

Oracle Lease and Finance Management Reports

The standard reports available in Oracle Lease and Finance Management are designed to help you generate business information about transactions produced by Oracle Lease and Finance Management. The standard reports are divided into the following two types:

- Accounting Reports
- Business Reports

Accounting Reports

Oracle Lease and Finance Management accounting reports help you view complex accounting information in which part or all of the accounting originates from Oracle Lease and Finance Management transactions. The accounting reports also assist you in completing the analysis required to reconcile your periodic accounting closes and allow you to view balances for a contract.

For more information on accounting reports, see the Accounting Area in the List of Concurrent Programs, in Appendix B – Concurrent Programs and Reports.

Business Reports

Business reports provide information about contracts. The reports compile both financial and non-financial information into a single integrated report.

The XML Publisher data and report templates used to generate the reports are flexible and can be modified to meet your specific reporting requirements. The data templates used to compile the XML data file contain large amounts of detailed contract information. Only some of the data generated in the XML file is used in the associated Oracle Lease and Finance Management report templates. However, you can use the data templates to generate additional reports from templates that you create using common desktop applications.

Contract Financial Reports

Oracle Lease and Finance Management has two concurrent programs to generate reports using XML for contract-related information. The reports can be generated from the contract level and the contract line level, and consist of financial and non-financial information. Multiple users can generate reports simultaneously.

Contract Financial Reports can be generated for contracts with the following book classifications:

- Operating Lease
- Direct Finance Lease
- Sales Type Lease
- Loan
- Revolving Loan

Generate Contract Financial Reports

You can generate business reports detailing the financial information of contracts using concurrent programs. Once you determine the requirements of your business report, you specify the report details when submitting your concurrent program request.

Leasing Finance and Management generates the following two financial reports for contracts:

- Contract Financial Report
- Asset Portfolio Report

Generate Contract Financial Report

You can generate a Contract Financial Report at the contract level by submitting the **Master Program – Contract Financial Report** concurrent program. While submitting the concurrent program, associate the Contract Financial Extract Report Template.

To generate a Contract Financial Report, see Run Concurrent Programs and View

Reports in Appendix B.

The following table lists user-defined parameters for the Contract Financial Report program.

Contract Financial Report Parameters

Report Parameter	Description
Operating Unit	Operating Unit associated to the contract.
Report Date	The Report Date is the current date. This date cannot be changed. This date is used to determine billed amounts.
Report Template Name	The Report Template selected determines the layout of the report.
Report Language	Determines the language of the report.
Report Format	Determines the format of the report.
Contract Start Date From	Beginning date of the contracts to be retrieved for the report based on contract start date.
Contract Start Date To	Ending date of contracts to be retrieved for the report based on contract start date.
Include AR Billing Details	Determines whether Receivables billing details will be included.
Book Classification	The deal type of the contract.
Financial Product	Financial Product associated to the contract.
Contract Status	The status of the contract.
Customer Party Number	The Customer Party Number associated to the contract.
Customer Party Name	The Customer Name associated to the contract.
Customer SIC Code	The Customer SIC Code from Receivables.

Report Parameter	Description
Vendor Party Number	Vendor Number of the Vendor Program Agreement.
Vendor Party Name.	Vendor Name of the Vendor Program Agreement.
Sales Channel	The Sales Channel used to book the deal.
Contract On Accrual	Determines whether contract is being accrued.
Contract End Date From	Beginning date of the contracts to be retrieved for the report based on contract end date.
Contract End Date To	Ending date of the contracts to be retrieved for the report based on contract end date.
Contract Termination Date From	Beginning date of the contracts to be retrieved for the report based on contract termination date.
Contract Termination Date To	Ending date of the contracts to be retrieved for the report based on contract termination date.
Delete Report Data	Determines whether report data should be deleted after the report is generated.
Number Of Processes	Number of parallel works to be used to retrieve data and generate the report.

Generate Asset Portfolio Report

You can generate an Asset Portfolio Report at the contract line level by submitting the **Master Program – Contract Lines Financial Report** concurrent program. While submitting the concurrent program, associate the Asset Portfolio Report Template. The Asset Portfolio Report generates financial information displaying fixed assets data for contract lines based on the parameters defined by the user.

To generate an Asset Portfolio Report, see Run Concurrent Programs and View Reports in Appendix B.

The following table lists user-defined parameters for the Contract Lines Financial Report program.

Asset Portfolio Report Parameters

Report Parameter	Description
Operating Unit	Operating Unit associated to the contract.
Report Date	The Report Date is the current date. This date cannot be changed. This date is used to determine billed amounts.
Report Template Name	The Report Template selected determines the layout of the report.
Report Language	Determines the language of the report.
Report Format	Determines the format of the report.
Contract Start Date From	Beginning date of the contracts to be retrieved for the report based on contract start date.
Contract Start Date To	Ending date of contracts to be retrieved for the report based on contract start date.
Book Classification	The deal type of the contract.
Financial Product	Financial Product associated to the contract.
Contract Number	The number of the contract used to generate the report.
Contract Status	The status of the contract used to generate the report.
Contract Line Status	The status of the contract lines used to generate the report.
Contract Line Type	The type of the contract lines used to generate the report.
Customer Party Number	The Customer Party Number associated to the contract.

Report Parameter	Description
Customer Party Name	The Customer Name associated to the contract.
Supplier Number	The Supplier Number associated to the contract.
Supplier Name	The Supplier Name associated to the contract.
Include Fixed Asset Details	Determines whether the report will include details from fixed assets for the contract lines.
Asset Tax Book	When you select Include Fixed Asset Details, the asset tax book that should be used to display the details.
Delete Report Data	Determines whether report data should be deleted after the report is generated.
Number Of Processes	Number of parallel works to be used to retrieve data and generate the report.

Web Services

Overview

Web Services can be used by organizations using Oracle applications to build an environment of a cluster of applications coming from multiple vendors. Organizations can use this cluster of applications only if they are properly integrated and the flows are orchestrated through them. This integration can be both outward and inward into Oracle applications.

Web services is available in the Oracle Integration Repository.

Access Web Services

The Integration Repository is an integral part of Oracle E-Business Suite. It provides a complete catalog of Oracle E-Business Suite's Business Service interfaces. You can identify and use the appropriate Business Service interface from the catalog for integration with any system, application, or business partner. The user with Integration Administrator role can navigate to the Integration repository.

The following are the steps for navigating to the Integration Repository:

1. Login as an Integration Administrator.
2. Select the **Integrated SOA gateway** responsibility.
3. Select **Integration Repository**.

The following Web Services are available for integration with any system, application, or business partner solution:

- Contract Open Interface
- Termination Quote Interface
- Third-Party Billing Interface

- Create Funding Request
- Update Asset Return

Contract Open Interface

Contract authoring process can be complex and cumbersome, especially when entering a large number of assets or numerous fees and services. It results in errors and delays because routine contract creation cannot be initiated through a simple contract upload from a different system or manual. This can result in increased costs and reduced margins for lessors. Lessors can overcome these difficulties by using the Contract Open Interface Web Service.

Contract Open Interface Web Service allows lessors to load and create large volumes of contracts. Oracle Lease and Finance Management supports importing of lease and loan contracts through a standard set of interface tables. The import program imports data from interface tables into the Oracle Lease and Finance Management tables. You must enable the web service, which will invoke the concurrent program and submits the request.

For table level information and minimum attributes required for Contract Open Interface, refer to the Oracle Lease and Finance Management Implementation Guide.

Termination Quote Interface

You can create and process a termination quote in Oracle Lease and Finance Management by using the Termination Quote Interface. This helps the financier to terminate the process effectively and without any time delays.

This interface executes the open interface for importing termination quote information. It reads termination quote information from open interface table(s), validates record(s), and then creates termination quote(s) in Oracle Lease and Finance Management.

For table level information and minimum attributes required for Termination Quote Interface, refer to the Oracle Lease and Finance Management Implementation Guide.

Third Party Billing Interface

Billing is the process of claiming amounts due from customers on their lease and loan contracts. Billing charges for rent, fees, and services are processed to include taxes and generate accurate accounting transactions. Invoices or statements of account are created as a notice to the customer for payment.

Compliance with regulatory tax and accounting requirements and efficient collection of payment is essential in this process. Clear representation of billing charges on invoices is necessary to meet the internal billing policies and procedures. The processing of payments should be easy to ensure that customers make prompt and correct payments.

The following are the steps followed by the financier for the billing process:

1. Determine amounts to be billed
2. Process options to format and present invoices in Oracle Lease and Finance Management
3. Create invoices
4. View and adjust invoices

A contract with status **Active** defines the payment schedule and streams for rent, fees and services to be billed. Although the processing of billing data from different billing sources varies, every billing transaction of each billing type results in a record in Oracle Lease and Finance Management.

Third-party billing involves the financier importing billing charges to the customer and passthrough to the third-party. For example, you may want to import and bill for a country's property tax liability, a bank's non-sufficient funds charge, or a vendor's maintenance fee and pass the receipts back to the third-party.

After you import billing transactions, you review them, correct errors, and download them into tables.

The Third Party Billing Interface executes the open interface for importing property tax and relevant transactions from Oracle Lease and Finance Management interface tables and creates internal transactions and accounting entries.

For table level information and attributes required for Third Party Billing Interface, refer to the Oracle Lease and Finance Management Implementation Guide.

Funding Processing API

Funding disbursements are payments to suppliers or other third parties for the cost of equipment, maintenance, insurance, and other service expenses. Some disbursements, such as passthroughs and investor payments, are processed as the result of billing or cash receipt transactions. Oracle Lease and Finance Management supports different kinds of funding request. Asset funding, expense funding and prefunding are some kinds of funding request.

Oracle Lease and Finance Management provides the Funding Processing API which can create funding request from any external system and can validate the same as per the business rules set. If the financier want to bring the funding request from a third party system, they can import all the funding requests after all setting up all the necessary prerequisites.

For table level information and attributes required for Funding Request API, refer to the Oracle Lease and Finance Management Implementation Guide.

Update Asset Return

Oracle Lease and Finance Management automatically creates an asset return request by the following three sources:

1. Acceptance of a termination quote without purchase.
2. Repossession of the asset. This sets the **Asset Status** to **Scheduled** and the **Asset Return Type** to **Repossession Request**. For asset repossessions, this process must occur before other repossession-related activities, such as Repossession Request or Unsuccessful Repossession.
3. Ending of contract term without exercising the purchase option. This sets the **Asset Status** to **Scheduled** and the **Asset Return Type** to **Contract Expiration** upon termination of a contract.

The returned off-lease asset undergoes various stages of examination and evaluation. Hence, the lessor should maintain the asset return information. When a customer makes a request to return an asset before the contract's specified end-of-term, the lessor must manually create an asset return request. Lessors do not manually create an asset return request for assets that have reached their end-of-term because Oracle Lease and Finance Management automatically generates those asset return requests upon contract expiration.

Whenever the lessor creates an asset return request, they should specify:

- A return type for the asset. Return types include Contract Expiration, Repossession Request, Executed Termination Quote, and Intent to Return.
- The status of the returned asset. Statuses include Returned, Scrapped, Repossessed, and Available for Sale.
- Relevant dates, such as Date Return Due, Date Returned, and Date Notified.
- The re-marketer involved with remarketing the returned asset. Assignment of a returned asset goes to a re-marketer, who:
 - Is part of the group assigned to managing remarketing for the asset based on the asset's item category.
 - Is responsible for the asset until disposal.

The Update Asset Return API enables the user to update the off-leased asset from an external system. Oracle Lease and Finance Management facilitates the financier to update the asset return request.

For table level information and attributes required for Update Asset Return, refer to the Oracle Lease and Finance Management Implementation Guide.

Meter Readings

Meters or counters are used to track the usage output when the usage of the equipment is the basis for billing the customer. This usage information is valuable in understanding the customers' use of the equipment. It can be used to determine recommendations about changes in asset mix and provide optimal services. However, capturing, managing and reporting metered usage can be time-consuming.

The Web Service for Meter Readings Update helps lessors and vendors provide this usage information. This web service enables them to automate, streamline and simplify the capturing of metered usage. It ensures that the cost of business does not increase and preserves slim margins.

In metered usage services, the serviced assets are equipped with counters or meters that monitor and report usage. Pricing is based on a minimum usage level and overages are charged based on the number of units. This usage cycle is generally typified by a service schedule which is defined in a contract by the servicing vendor. The lessee in turn makes cash payments according to the contract terms. When the servicing vendor is not the lessor, a passthrough arrangement is made where the lessor bills the usage-based service charges with the financing charges and disburses the service payments to the vendor. In these cases, an agreement is made between the vendor and lessor to control the obligations being created and managed. Hence, all passthroughs involve at least all the three parties, that is the lessee, lessor and vendor. To keep track of payments and services, a service schedule is maintained. All payments and disbursements are tracked to the service schedule to ensure that all the three parties know the receiving amount and payment amount between the parties.

The Web Service for Meter Readings has the following functions:

- Since the usage billing is based on periodic readings of the counter or meter, the reading aligns with the service schedule.
- All transactions, including adjustments, contract modifications from revisions, terminations, restructures, or changes in prior meter readings are with respect to a period of service and reported accurately.

Manage Meter Readings

To support vendors with varying levels of automation and capabilities, lessors must be able to collect timely and accurate meter readings from many sources. Lessors must also help vendors to collect and correct invalid readings.

Meter readings must be captured for metered usage services to bill and collect from customers. Since meter readings are connected to cash flows (both for the lessor and the service vendor), timeliness and accuracy are critical.

Meter readings are captured using the following methods:

- Automatic upload from the service vendors' systems where readings have been entered and associated to vendors' invoices.
- Automatic and electronic uploads from the equipment meter without user intervention on a predefined schedule or a requested schedule. These may also be uploaded into the vendors' systems and then transmitted or requested by the lessor's system
- Upload or manual entry by a vendor or another user (for example, the customer or the lessor's agent) from a common portal or through a scanning device that can report the reading electronically.
- Upload using a spreadsheet or direct entry by a lessor's user from a submitted vendor report.

The Web Service is used to read the meters, import these readings and make the necessary changes using the methods mentioned above.

The Web Service for Meter Readings executes the open interface to import meter reading from any external application. The program reads meter information from open interface tables, validates records and then creates meter readings in Oracle Lease and Finance Management. It uses the OKL_CTR_RDG_INTERFACE_LNS_ALL table.

Status Definitions

This appendix covers the following topics:

- Lease Sales Quotes
- Credit Lines
- Lease and Loan Contracts
- Agreements
- Vendor Agreements
- Master Lease Agreements
- Investor Agreements
- Termination Quotes

Lease Sales Quotes

This section includes statuses for lease sales quotes and pricing and payment plans.

The following table describes lease sales quote statuses.

Lease Sales Quotes Statuses

Status Name	Description
Incomplete	Quote not priced, or draft quote is in progress.
Complete	Quote includes at least one priced payment plan or one plan in the process of being priced.

Status Name	Description
Accepted	Lessee has accepted the quote; the quote can be selected for contract authoring.

The following table describes pricing and payment plan statuses.

Pricing and Payment Plan Statuses

Status Name	Description
Incomplete	Payment plan not priced.
Pricing In Progress	An external pricing plan has been submitted (applies for external pricing, only).
Complete	Pricing successfully completed.
Submitted	Priced plan has been submitted for internal review.
Approved	After being submitted, the plan is approved.
Rejected	After being submitted, the plan is rejected.
Accepted	After being submitted and approved, the plan has been accepted by the customer.
Declined	After being submitted and approved, the plan has been declined by the customer.

Credit Lines

The following table describes the statuses of credit lines.

Credit Line Statuses

Status Name	Description
New	Someone has drafted a prospect's or customer's potential credit line in the system.
Entered	Someone has drafted a prospect's or customer's potential credit line in the system, and it has passed validation.
Submitted	The potential credit line is submitted for approval.
Approved	The credit line was approved internally and is active.
Rejected	The potential credit line was rejected.

Lease and Loan Contracts

The following table describes the contract statuses for lease and loan contracts.

Contract Statuses for Lease and Loan Contracts

Status Name	Description
New	Entered into the system, but not validated.
Passed	Entered and validated.
Complete	Streams and journal entries generated.
Incomplete	You have made modifications that require revalidation.
Pending Approval	Validated and pending approval.

Status Name	Description
Booked	Upon successful activation, the contract is active and ready to start billing; the system has generated both accounting and asset journal entries.
Evergreen	Active, but an original term has expired, and the billing is month-to-month.
Litigation Hold	Not terminated, but billing is suspended due to litigation against lessee.
Bankruptcy Hold	Not terminated, but billing is suspended due to bankruptcy of the lessee.
Expired	Contract has expired at the natural end-of-term.
Terminated	Contract has terminated.
Reversed	Contract, including all accounting and billing, has reversed.
Abandoned	The contract was never completed or activated.

Agreements

This section includes vendor, master lease, and investor agreements statuses.

Vendor Agreements

The following table describes the statuses for vendor agreements.

Vendor Agreement Statuses

Status Name	Description
New	Vendor agreement has been entered into the system.

Status Name	Description
Approved	Vendor agreement has been approved internally.
Active	Vendor agreement is active.
Hold	Vendor agreement is not available for authoring a contract.
Expired	Vendor agreement has passed its expiration date.
Terminated	Vendor agreement has been terminated.
Abandoned	No one has ever signed or approved the agreement.

Master Lease Agreements

The following table describes the statuses for master lease agreements.

Master Lease Agreement Statuses

Status Name	Description
New	Someone has entered the master lease agreement into the system.
Approved	Internal approvers have approved the master lease agreement.
Active	Master lease agreement is active.
Hold	Master lease agreement is not available for authoring or contract.
Expired	Master lease agreement has passed its expiration date.
Terminated	Master lease agreement has been terminated.

Status Name	Description
Abandoned	No one has signed or approved the master lease agreement.

Investor Agreements

This section includes investor agreements and investor pools statuses.

The following table describes the statuses of investor agreements.

Investor Agreement Statuses

Status Name	Description
New	Someone has entered the investor agreement into the system.
Passed	Investor agreement has passed validation.
Incomplete	Investor agreement has not yet passed validation.
Active	The investor agreement is active.
Expired	The investor agreement has passed its expiration date or been terminated.

The following table describes the statuses of investor pools.

Investor Pools Statuses

Status Name	Description
New	Someone has entered the investor pool into the system.
Active	Pool status when the related investor agreement has been activated.

Status Name	Description
Expired	Pool status when the related investor agreement has passed its expiration date or has been terminated.

Termination Quotes

This section includes statuses of termination, structure, and repurchase quotes.

The following table describes the statuses for termination quotes.

Termination Quote Statuses

Status Name	Description
Drafted	Someone has created a termination quote in the system.
Submitted	The termination quote has been submitted for approval, but is not yet approved or rejected.
Rejected	The termination quote was rejected.
Approved	The termination quote was approved.
Accepted	The termination quote was accepted.
Completed	The contract or asset specified on an accepted termination quote has been terminated.
Cancelled	When one of several termination quotes for a contract or asset has been accepted and completed, any outstanding termination quotes for the same object are cancelled.

The following table describes the statuses for restructure quotes.

Restructure Quote Statuses

Status Name	Description
In Process	
Drafted	Someone has created a restructure quote.
Submitted	The restructure quote has been submitted for approval, but not yet approved or rejected.
Accepted	The restructure quote was accepted.
Completed	The contract or asset specified on an accepted restructure quote has been terminated.
Cancelled	When one of several restructure quotes for a contract or asset has been accepted and completed, any outstanding restructure quotes for the same object are cancelled.

The following table describes the statuses for repurchase quotes.

Repurchase Quote Statuses

Status Name	Description
Drafted	Someone has created a repurchase quote.
Accepted	The repurchase quote was accepted.
Completed	The contract or asset specified on an accepted repurchase quote has been terminated.
Cancelled	When one of several repurchase quotes for a contract or asset has been accepted and completed, any outstanding repurchase quotes for the same object are cancelled.

Concurrent Programs and Reports

This appendix covers the following topics:

- Run Concurrent Programs and View Reports In Lease and Finance Management
- List of Concurrent Programs

Run Concurrent Programs and View Reports In Lease and Finance Management

The concurrent programs that power many Lease and Finance Management processes are accessible from Oracle Applications Forms.

In addition, you can now conveniently access Lease and Finance Management concurrent programs and their output reports from the Processing tab in the Lease and Finance Management pages.

On the Processing tab, Request subtab, make and schedule requests to run concurrent programs and generate output reports without leaving the Lease and Finance Management application. A process train across the top of the page tracks your progress through the six Schedule steps: Name, Parameters, Schedule, Notifications, Printing, and Review. You can specify an operating unit when you run concurrent programs or multi-org unit jobs for the operating units that you have access to. For a list of concurrent programs that are defined by operating units, see List of Concurrent Programs, page B-2.

For each request you may search for or enter the concurrent program name. ID numbers are automatically assigned to submitted requests, but you may additionally name the request from the start to help you identify it. You may schedule requests to run as soon as possible on demand, or to repeat periodically.

View the status of your submitted requests from the same Processing tab. On the Request menu, click Monitor. Select to view all requests (the default), or requests completed, of the last 24 hours, pending, or currently running. Or choose to search for requests according to request ID, name, date submitted or completed, or the status of requests. Possible request statuses include waiting, resuming, normal, cancelled, error,

warning, on hold, no manager, scheduled, standby, suspended, terminating, disabled, paused, and terminated.

Click the details icon for a request. Summary information is displayed, and you may show or hide more details such as parameters, notifications, printing, and diagnostics. Diagnostics includes status and timing information. For programs that are likely to include output data as a report, click View Log.

The Processing tab, Programs subtab, lists frequently accessed programs such as Account Balances, Correct Accounting Entries, and Variable Interest Processing Status.

List of Concurrent Programs

All seeded concurrent programs are assigned to the Lease Administrator responsibility.

If you have multiple responsibilities, and Lease Administrator is not the default responsibility, you can switch responsibilities by clicking the Profile icon and choosing Lease Administrator.

For more details about concurrent programs, see the Managing Concurrent Processing section in the *Oracle E-Business Suite Setup Guide*.

The following table lists and describes concurrent programs that Oracle Lease and Finance Management uses.

Concurrent Programs in Oracle Lease and Finance Management

Area	Name	Description
Accounting	Account Balances Report <i>Defined by Operating Unit</i>	Generates a report of account balances for a given contract and a range of general ledger account codes. See View Account Balances Report.
Accounting	Accounting Entry Process <i>Defined by Operating Unit</i>	Performs validation of account codes and dates and posts accounting entries to the Oracle Lease and Finance Management subledger. See Set Accounting Process.

Area	Name	Description
Accounting	Accounting Period Sweep Process <i>Defined by Operating Unit</i>	Moves accounting entries from one accounting period to another before closing the accounting period. Program can be run in Review mode to verify the proposed updates and in Sweep mode to update the accounting dates. Reports are generated by the Accounting Period Sweep Process Template.
Accounting	Capture Lease Depreciation Sources – Master	Use the Lease Administrator responsibility to drilldown to Fixed Asset addition and depreciation transactions.
Accounting	Depreciation Adjustment for Accrual <i>Defined by Operating Unit</i>	Provides users with information to adjust depreciation manually based on accrual adjustment. See Generate the Multi-GAAP Adjustment Report and Summary of Period Close Process.
Accounting	General Loss Provision <i>Defined by Operating Unit</i>	Calculates and processes general loss provisions for contracts and investor agreements. See Loss Provisions, page 30-4.
Accounting	Generate Accruals <i>Defined by Operating Unit</i>	Recognizes income and expenses for the accrual streams associated to a product. See Generate Batch Accruals, page 30-1.

Area	Name	Description
Accounting	Generate Reconciliation Report	The Reconciliation Report identifies whether accrual accounting activity in the General Ledger matches the related stream element and transacted activity for lease or loan contracts for a specified period. Reports are generated by the Lease Gross Investment Reconciliation Report Template.
Accounting	Interest Calculation <i>Defined by Operating Unit</i>	Looks for non-booked but funded contracts to calculate interest charges on funded amounts until contract booking. Calculates interest on prefunding and asset funding based on Prefunding Interest calculation terms and conditions.
Accounting	Multi-GAAP Adjustments Report <i>Defined by Operating Unit</i>	Provides users with information necessary to pass the month end adjustment accounting entries manually in order to assist with Multi-GAAP reporting. See Generate the Multi-GAAP Adjustment Report.
Accounting	Period Reversal <i>Defined by Operating Unit</i>	Processes transactions that have been set up for reversal and requires reversal in subsequent accounting periods. See Specify Period Reversal.
Accounting	Stream Generation	Automatically generates accounting and billing streams for contracts during batch booking.

Area	Name	Description
Accounting	Transfer Journal Entries to GL - Lease and Finance Management	Transfers journals from Oracle Lease and Finance Management subledger to Oracle General Ledger interface tables. Reports are generated by the Transfer Journal Entries to GL - Lease and Finance Management report template.
Asset Management	Balance Writeoff for Terminated and Expired Contracts	Writes off the balance if the balance on the contract is less than the amount in the Lease and Finance Management Small Balance Write-Off Tolerance rule.
Asset Management	Child Program - Terminate Expired Contracts	Terminates contracts that have reached the end of term using business rules.
Asset Management	Generate Pending Asset Repossession Report for Loans	Generate an Asset Repossession Report for loans by operating unit or for a contract in the operating unit to display all approved repossession quotes and associated asset returns.
Asset Management	Master Program - Terminate Expired Contracts	Initiates the Terminate Expired Contracts child program.

Area	Name	Description
Asset Management	Notification of Contract Portfolios on Execution Due Date <i>Defined by Operating Unit</i>	<ul style="list-style-type: none"> Processes all contract portfolios that are due for execution on or before the concurrent program execution date. Uses Oracle Workflow to send a notification to each member of the assignment group responsible for the execution of the contract portfolio strategy. You can initiate the program or schedule it.
Asset Management	Process Residual Value Writedown Transaction	Writes down residual value of contract.
Asset Management	Process Termination Interface Transactions	Creates quotes using data entered in the interface tables.
Asset Management	Process Transactions in Fixed Assets	Updates modifications of Off Lease Transactions and Salvage Value changes into Oracle Assets.
Asset Management	Terminate Expired Contracts	Terminates contracts that have reached the end of term using business rules. See Batch Process Contract Termination.

Area	Name	Description
Asset Management	Update Contract Portfolio Budget Amount	<ul style="list-style-type: none"> • Updates the budget amount for the contract portfolio. • Executes the formula used during Contract Portfolio creation. • You can initiate the program or schedule it. • You initiate the program to update the budget amount. • See Update Contract Portfolio Budget Amount.
Authoring	Lease Contract Open Interface <i>Defined by Operating Unit</i>	Imports selected contracts from Oracle Open Interface tables. See Import Contracts Into Oracle Lease and Finance Management.
Authoring	Lease Contract Open Interface Child	The Lease Contract Open Interface Child process.

Area	Name	Description
Authoring	Lease Payment Dates Updates and Report	<ul style="list-style-type: none"> • Allows users to review and correct the payment start dates on contracts. • If the Payment Date Report process mode is selected, the program generates a report listing the contract payment details for contracts with a status of New, Complete, Incomplete, Passed, Pending Approval, or Approved. A contract is listed in the report if the payment line start date is different than the contract start date or associated line date, or doesn't exist. • If the Payment Date Update process mode is selected, the program updates payment start dates for contracts with no start dates on payment lines and a status of Booked, Under Revision, Evergreen, Expired, Terminated, Reversed, Amended, Abandoned, Litigation Hold, Bankruptcy Hold, or Termination Hold.

Area	Name	Description
Authoring	Pricing Time Out <i>Defined by Operating Unit</i>	Clears out requests for stream generation that are not returned by a third-party lease price modeling software through the XML Gateway. See Schedule Pricing Time Out Concurrent Program, <i>Oracle Lease and Finance Management Implementation Guide</i> .
Authoring	Purge Parallel Processes Table <i>Defined by Operating Unit</i>	Deletes the contents of parallel process table.
Authoring	Purge Streams Interface Tables <i>Defined by Operating Unit</i>	Purges data from the streams generation interface tables for completed pricing calls based on the entered date. Purging the interface regularly improves performance of the stream generation pricing calls. See Run Stream Generation Purge Program.
Authoring	Serial Number Control Setup Mismatch <i>Defined by Operating Unit</i>	Generates a report of all inventory items where the serial number control codes for the leasing organization and master organization are different.
Authoring	Service Passthrough Report	Generates a report that lists the contracts that have service lines with passthroughs defined against them, but no stream type for the passthroughs are found, or if they are found they are different than the payment stream type.

Area	Name	Description
Billing	Advance Billing	Generates invoices after contract activation and applies advance receipts to the generated invoices.
Billing	Assign Due Dates for Invoices	Assigns due dates to invoices and makes them ready for submission
Billing	Billable Streams Reconciliation Report <i>Defined by Operating Unit</i>	Generates reconciliation between billing transactions in Lease and Finance Management and invoices in Receivables. Reports are generated by the Billable Streams Reconciliation Report template.
Billing	Billing Reconciliation Report <i>Defined by Operating Unit</i>	Reconciles the bills generated from Oracle Lease and Finance Management with the bills created in Oracle Receivables from Lease and Finance Management. Reports are generated by the Billing Reconciliation Report template.
Billing	Calculate Late Charges <i>Defined by Operating Unit</i>	<ul style="list-style-type: none"> • Identifies past due invoices. • Calculates late charges. • Generates bills for Receivables • See Run Calculate Late Charges.

Area	Name	Description
Billing	Calculate Late Interest <i>Defined by Operating Unit</i>	<ul style="list-style-type: none"> Identifies late payments. Calculates interest. Generates bills for Receivables. See Run Calculate Late Interest.
Billing	Create AR Adjustments <i>Defined by Operating Unit</i>	Creates adjustments in Receivables for small balance write-offs as a result of contract termination.
Billing	Generate Accruals Master - Actual	Generates accrual transactions for contracts which have a product with the Actual Revenue Recognition Method.
Billing	Generate Accruals Master - Estimated and Billed	Generates accrual transactions for contracts which have a product with the Estimated and Billed Revenue Recognition Method.
Billing	Generate Accruals Master - Streams	Generates accrual transactions for contracts which have a product with the Streams Revenue Recognition Method.
Billing	Create Receivables Variable Rate Invoices	<ul style="list-style-type: none"> Identifies contracts setup with variable rates. Identifies if a change in interest occurred. Generates bills at new interest rate. See Run Create Receivables Variable Rate Invoices.

Area	Name	Description
Billing	Evergreen Billing	Processes billing for contracts that are in Evergreen status.
Billing	Extend Usage Service Contracts	This concurrent program will further extend the Service Contract (with usage lines) in evergreen term after the initial extension.
Billing	Master Program -- Process Billable Streams - Contracts	Master program to spawn the Process Billable Streams child programs.
Billing	Master Program -- Process Billable Streams - Investor Agreements	Master program to spawn the Process Billable Streams child programs.
Billing	Master Program - Prepare Receivables	Master program to spawn the Prepare Receivables child programs.
Billing	Master Program - Receivables Bills Consolidation	Master program to spawn the Receivables Bills Consolidation child programs.
Billing	Master Program - Receivables Invoice Transfer	Master program to spawn the Receivables Invoice Transfer child programs.
Billing	Multi-GAAP Adjustments Report	Provides data to generate manual adjustments in Multi-GAAP ledger.
Billing	Print Consolidated Invoices	Prints consolidated statements based on invoice group attributes. See Generate Receivables Invoice.
Billing	Process Bill Group Revision Requests	Revises bill groups to propagate changes to the contracts/assets of the bill groups

Area	Name	Description
Billing	Service Contracts Billing <i>Defined by Operating Unit</i>	Obtains billing information from Oracle Service Contracts and prepares the records for billing in Oracle Lease and Finance Management. See Run Service Contracts Main Billing.
Billing	Third Party Billing Import <i>Defined by Operating Unit</i>	Prepares imported data from third party files for billing. See Prepare Third-Party Billing Import File for Billing.
Billing	Usage Based Billing <i>Defined by Operating Unit</i>	Creates transactions of usage based billing for service contracts.
Billing	Usage Billing Alignment - Contracts	<p>Aligns the usage invoice date with the next non-billed Rent invoice date so that Receivables can combine usage and rent in the same invoice. It also marks related usage billing transactions as Submitted. The program displays usage date alignment results as a output report for the following category:</p> <ul style="list-style-type: none"> • Usage aligned with Rent transaction (both Rent and Usage transactions exist) • Usage not aligned with Rent schedule (Rent transaction has not been generated. For example, rent is quarterly and usage is monthly) • Usage not aligned with rent transaction (rent has been transferred to Receivables already)

Area	Name	Description
Booking	Activation	Runs through all the processes associated with converting a contract from Approved to Booked status.
Booking	Approval	Initiates notifications based on contract approval workflow setup in Lease and Finance Management.
Booking	Calculate Upfront Tax	If you have enabled the Upfront Tax check box during Oracle Lease and Finance Management set up, then this program calculates the estimated upfront tax. Tax lines are stored by the Tax Engine and viewed on the tax summary details page for a contract from the activation checklist. If you have enabled upfront tax and set it up to be financed, a financed fee line will be automatically created. You must set up a payment for the financed tax fee line before you can continue booking. If you have enabled upfront tax and set it up to be capitalized, a capitalized fee line will be created automatically.
Booking	Controller Program 1	Performs all the steps, from QA Validation to Contract Activation, that a user has requested to be run when booking a contract in batch mode.
Booking	Controller Program 2	Called from Booking Approval workflow to call the next program for contract activation when a contract is being booked in batch mode.

Area	Name	Description
Booking	Draft Journal Entry	Generates draft journal entries for a selected contract.
Booking	QA Validation	Runs through validations on contract to check if all the conditions in the QA checker are met. Users are not allowed to proceed to the next step in contract activation if there are errors on the contract based on QA Validation.
Booking	Master - Credit Memo Sweep - Contracts	Program to automate application of on-account credit memos
Business Reporting	Master Program - Contract Financial Report	Generates a report displaying financial and non-financial information for contracts based on the parameters you enter. Reports are generated by the Contract Financial Report Template.
Business Reporting	Master Program - Contract Lines Financial Report	Generates a report displaying financial and non-financial information for contracts based on the parameters you enter. Reports are generated by the Asset Portfolio Report Template.
Business Reporting	Master Program -- Effective Dated Rebook Upgrade	Upgrade existing contracts using an external pricing engine in Review or Submit mode. Review mode enables you to see contracts eligible for upgrade before running the upgrade.

Area	Name	Description
Business Reporting	Report Generation and Delivery	Java concurrent program that generates a report based on Customer requests from the Lease Center, and delivers the report to the recipient using the specified delivery mechanism - Email, Printer or Fax.
Cures	Generate Cure Amount	Evaluates all outstanding customer (lessee) invoices to see if they meet any cure definition associated to the contract through the vendor program. The program calculates the amount of the cure per vendor for the specified date range based on the outstanding customer invoices that qualify for cure.
Cures	Generate Cure Refund	Determines if any customer invoices associated to existing cure invoices are paid and generates a refund request to the vendor for the paid amounts.
Cures	Request Cure Approvals	Submit pending cure requests for approval.
Cures	Send Cure Request	Generates notifications to vendors in order to obtain their acceptance for creation of cure invoices. See Send Cure Requests to Vendors.
Disbursements	Pay Invoice Prepare for AP Transfer <i>Defined by Operating Unit</i>	Prepares Oracle Lease and Finance Management payables transactions with Payables specific attributes on contracts.

Area	Name	Description
Disbursements	Pay Invoices Creation of Auto-Disbursement Process <i>Defined by Operating Unit</i>	<ul style="list-style-type: none"> Identifies disbursement required as a result of pass-through charges. Creates disbursement transaction to the supplier or vendor. See Prepare Payables Data.
Disbursements	Pay Invoices Transfer to AP Invoice Interface <i>Defined by Operating Unit</i>	Transfers Oracle Lease and Finance Management payables transactions to Payables invoice interface.
Funding	Prefunding Pool Management	Processes funding and expense transactions on the prefunding pool
Funding	Short Fund Application	This program applies the on-account credit memos to the invoices generated from the advance payment streams during the netting process for short funding.
Funding	Short Fund Preprocessing	Processes short fund targets. This process validates and creates on-account Receivables credit memo and triggers acceptance of termination quote targets.
Insurance	Activate Insurance	Automatically activates insurance policies that have met activation criteria.

Area	Name	Description
Insurance	Automatic Insurance <i>Defined by Operating Unit</i>	<ul style="list-style-type: none"> Looks for contracts with expired lease insurance policies. If an insurance policy has expired, creates a quote. Lessor can manage the automatic activation of policies if not paid by lessee.
Insurance	Insurance Payment	Evaluates all insurance policies to determine if any disbursement is due to the insurance provider. For amounts due, creates disbursement transactions to the providers.
Insurance	Insurance Policy Expiration Notification <i>Defined by Operating Unit</i>	Looks for upcoming contracts with expiring lease insurance policies and generates notification to customer that the insurance is expiring.
Insurance	Third Party Insurance Follow-up <i>Defined by Operating Unit</i>	If lessee is providing proof of third party lease insurance, creates a task for lessor to follow-up.
Investor Agreements	Activate Investor Agreement	Generates billing transactions, streams, and accounting for each investor with the stake recorded.
Investor Agreements	Add Pool Contents <i>Defined by Operating Unit</i>	Adds stream elements for one or more booked contracts to a pool.

Area	Name	Description
Investor Agreements	Buyback Investor Agreement	Generates buyback stream for the specified investor agreement and removes eligible stream elements from the securitized pool.
Investor Agreements	Clean Up Pool Contents	Removes stream elements from a pool.
Investor Agreements	Create Investor Invoice Disbursements	Generates payable invoices for investors based on amounts to be disbursed.
Investor Agreements	Investor Payables Consolidation <i>Defined by Operating Unit</i>	Consolidates investor transactions and transfers to Payables invoice interface.
Investor Agreements	Reconcile and Recalculate Pool Value	Request set consisting of the Reconcile Pool Contents and Recalculate Pool Principal Amount concurrent programs.
Investor Agreements	Recalculate Pool Principal Amount	Recalculates the total value of the stream elements in the pool.
Investor Agreements	Reconcile Pool Contents <i>Defined by Operating Unit</i>	Removes ineligible stream elements from a pool.
Investor Agreements	Reconcile Pool Contents For Add Contracts Request	Reconciles the pool contents that are added to the active pool using the Add Contract Request.
Investor Agreements	Terminate Investor Agreements	Terminates investor agreements that have an end date less than or equal to the termination date specified as an input parameter to the concurrent program.

Area	Name	Description
Lease Center	Loan Balances Update	<p>Updates Lease Center views with outstanding balances, interest received, and principal received for variable rate loans.</p> <ul style="list-style-type: none"> • If the contract number is entered, the program is run for that contract only. • If the contract number is not entered, the program is run for all eligible contracts. <p>By default, there is no contract number defined in the Contract Number field.</p>
Lease Sales Quote	Generate Quote Payment Schedule	Generates and reports streams for the lease opportunity or lease application. Reports are generated by the seeded Lease Quote Stream Template.
Parties	Party Merge	<p>Consolidates duplicate parties or party sites. Additionally, merges duplicate party sites for a party.</p> <p>For more information, see <i>Party Merge, Oracle Trading Community Architecture User Guide</i>.</p>
Receipts	Concurrent Cash Application <i>Defined by Operating Unit</i>	The batch is entered into Lease and Finance Management. The concurrent program then takes the batch and applies it to invoices in Oracle Receivables. See Run Concurrent Cash Application.

Area	Name	Description
Receipts	Daily Interest Calculation	On receipt of cash, calculates the actual interest based on the actual principal balance. The receipt is applied first towards the interest amount and then towards the principal.
Receipts	Lease Advance Monies Report	Reports on the balance amounts on advance receipts.
Receipts	Receipts Reapplication	Unapplied and On-account balances on existing receipts are applied to invoices.
Receipts	Receipts Reapplication with Contract	Unapplied and On-account balances on existing receipts are applied to invoices of a particular contract.
Streams	Master Program - Purge History Streams	Purges eligible history streams
Streams	Master Program - Restore History Streams	Restores history streams that have been purged
Subsidy Pools	Lease Subsidy Pool Association Report <i>Defined by Operating Unit</i>	Displays the pool and its associated underlying pools. Also displays the pool budget, as well as utilization. The report may be requested for a Budget Pool or a Reporting Pool. Reports are generated by the Lease Subsidy Pool Association Report template.

Area	Name	Description
Subsidy Pools	Lease Subsidy Pool At-Limit Report <i>Defined by Operating Unit</i>	Displays all pools which are approaching or at their limit. The At-Limit parameters may be defined as the number of days remaining, or as the amount or percentage of the budget remaining. Reports are generated by the Lease Subsidy Pool At Limit Report template.
Subsidy Pools	Lease Subsidy Pool Reconciliation Report <i>Defined by Operating Unit</i>	Provides a list of all subsidy usage in a subsidy pool. It identifies the source of the subsidy, and displays the remaining subsidy pool balance. Reports are generated by the Lease Subsidy Pool Reconciliation Report template.
Tax	Lease Property Tax Report	Statement of the status of Actual, Estimated, and adjusted property tax amounts. Reports are generated by the Lease Property Tax Report template.
Tax	Reconcile Property Tax	Generates reconciliation between Actual and Estimated property tax amounts.
Vendors	Lease Vendor Party Mismatch	Generates a list of contracts, investor agreements, and vendor programs that have a customer and vendor account used for customer payments or vendor billings that are not associated to the same party record. Reports are generated by the Lease Vendor Party Mismatch Report template.

Area	Name	Description
Vendors	Process Vendor Reassignment for Passthrough	Processes already approved vendor reassignment requests. The report displays the status of the request, contracts, passthrough lines and passthrough streams which are updated.
Vendor Programs	Terminate Expired Vendor Agreements	Terminates expired Vendor Program Agreements.
Vendor Residual Share	Vendor Residual Share	Calculates the vendor residual share, based on the program agreement terms and conditions for vendor residual sharing, and the asset disposition amount. It displays the amount of the residual sharing by asset, by contract, by program agreement, that is shared with the vendor.
Vendor Residual Share	OKL Report - Vendor Residual Share Report	Displays the amount of the residual sharing by asset, by contract, by program agreement, that is shared with the vendor. Reports are generated by the Report Vendor Residual Share template.

Oracle Lease and Finance Management Navigation Paths

Oracle Lease and Finance Management Navigation Paths

This table shows navigation paths for Lease and Finance Management pages.

Page Name	Navigation Path
Account Balance	Finance > Accounting > Account Balance
Accounting Transactions	Investors > Transactions > Accounting Transactions Finance > Accounting Transactions
Accrual Override	Finance > Accrual Override
Asset Return Request	Asset Management > Return Requests
Batch Receipts	Operations > Batch Receipts
Buy Back Streams	Investors > Transactions > Buy Back Streams

Page Name	Navigation Path
Checklists	Operations > Credit > Checklist Template Risk Management > Credit Policies > Checklist Template
Consolidated Counters	Operations > Counters
Consolidated Quotes	Asset Management > Quote Consolidations
Contract Portfolios	Asset Management > Contract Portfolios
Contracts	Customers > Contracts Operations > Contracts Asset Management > Contracts
Contract Trial Balance	Finance > Accounting > Contract Trial Balance
Create Asset Return Request	Asset Management > Return Requests > Create
Create Batch Receipt	Operations > Batch Receipts > Create Batch
Create Checklist	Operations > Credit > Checklist Template > Create Risk Management > Credit Policies > Checklist Template > Create
Create Consolidated Counter	Operations > Counters > Create
Create Consolidated Quote	Asset Management > Quote Consolidations > Create (Note: Click Continue on the Create Consolidated Quote page to provide applicable information)

Page Name	Navigation Path
Create Contract	<p>Customers > Contracts > Select applicable option in Create field and click Go</p> <p>Operations > Contracts > Select applicable option in Create field and click Go</p> <p>Asset Management > Contracts > Select applicable option in Create field and click Go</p>
Create Credit Line	<p>Customers > Credit > Credit Lines > Create</p> <p>Risk Management > Credit Approvals > Credit Lines > Create</p>
Create Disbursement Term for a Vendor	Vendors > Disbursement Terms > Create
Create End-of-Term Option	Marketing > Pricing Programs > End-of-Term Options > Create
Create Insurance Asset Classes	Risk Management > Insurance Programs > Insurance Asset Classes > Create
Create Insurance Product	Risk Management > Insurance Programs > Insurance Products > Create
Create Insurance Restriction	Risk Management > Insurance Programs > Insurance Restrictions > Create
Create Insurer Rankings	Risk Management > Insurance Programs > Insurer Rankings > Create
Create Investor Agreement	Investors > Investor Agreements > Create

Page Name	Navigation Path
Create Invoice Message	Operations > Invoice Messages > Create
Create Item Residual	Asset Management > Item Residuals > Create
Create Lease Application	Customers > Credit > Lease Applications > Create Risk Management > Credit Approvals > Lease Applications > Create
Create Lease Application Template	Operations > Credit > Lease Application Templates > Create Risk Management > Credit Policies > Lease Application Templates > Create
Create Lease Opportunity	Sales > Lease Opportunities > Create
Create Lease Rate Set	Marketing > Pricing Rates > Lease Rate Sets > Create
Create Like Kind Exchange	Finance > Asset Transactions > Like Kind Exchange > Create
Create Manual Bill	Operations > Manual Invoices > Create
Create Manual Receipt	Operations > Receipts > Create Receipt
Create Mass Rebook	Finance > Mass Rebook Requests > Create (Note: Click Next on the Create Mass Rebook page to provide applicable information)
Create Master Lease Agreement	Customers > Master Lease Agreements > Create

Page Name	Navigation Path
Create Operating Agreement	Vendors > Operating Agreements > Create
Create Pool	Investors > Pools > Create
Create Pricing Adjustment Matrix	Marketing > Pricing Rates > Pricing Adjustment Matrices > Create
Create Program Agreement	Vendors > Program Agreements > Select Program Agreement in Create field and click Go
Create Program Agreement Template	Vendors > Program Agreements > Select Program Template in Create field and click Go
Create Refund	Vendors > Cure Refunds > Create
Create Remarketer Assignments	Asset Management > Remarketing Policies > Remarketing Assignments > Create
Create Repair Costs	Asset Management > Remarketing Policies > Repair Costs > Create
Create Request	Vendors > Cure Requests > Create
Create Specific Loss Provision	Investors > Transactions > Loss Provisions > Create Finance > Loss Provisions > Create
Create Standard Rate Template	Marketing > Pricing Rates > Standard Rate Templates > Create
Create Subsidy	Marketing > Pricing Programs > Subsidies > Create

Page Name	Navigation Path
Create Subsidy Pool	Marketing > Pricing Programs > Subsidy Pools > Select applicable option in Create field and click Go
Create Vendor Account	Vendors > Vendor Account > Select Party with out an associated vendor account and click Add Vendor Account
Credit Lines	Customers > Credit > Credit Lines Risk Management > Credit Approvals > Credit Lines
Cure Refunds	Vendors > Cure Refunds
Cure Requests	Vendors > Cure Requests
End-of-Term Options	Marketing > Pricing Programs > End-of-Term Options
Funding Request	Risk Management > Funding Requests
Insurance Asset Classes	Risk Management > Insurance Programs > Insurance Asset Classes
Insurance Products	Risk Management > Insurance Programs > Insurance Products
Insurance Restrictions	Risk Management > Insurance Programs > Insurance Restrictions
Insurer Rankings	Risk Management > Insurance Programs > Insurer Rankings
Investor Agreements	Investors > Investor Agreements
Invoice Messages	Operations > Invoice Messages

Page Name	Navigation Path
Invoices	Operations > Invoices
Item Residuals	Asset Management > Item Residuals
Lease Application Templates	Operations > Credit > Lease Application Templates Risk Management > Credit Policies > Lease Application Templates
Lease Applications	Customers > Credit > Lease Applications Risk Management > Credit Approvals > Lease Applications
Lease Opportunities	Sales > Lease Opportunities
Lease Rate Sets	Marketing > Pricing Rates > Lease Rate Sets
Like Kind Exchange	Finance > Asset Transactions > Like Kind Exchange
Loss Provisions	Investors > Transactions > Loss Provisions Finance > Loss Provisions
Manual Invoices	Operations > Manual Invoices
Manual Receipts	Operations > Receipts
Mass Rebook	Finance > Mass Rebook Requests
Master Lease Agreement	Customers > Master Lease Agreements
Off-Lease Asset Transactions	Finance > Asset Transactions > Off-Lease Asset Transactions

Page Name	Navigation Path
Operating Agreements	Vendors > Operating Agreements
Payable Invoices	Investors > Transactions > Payable Invoices
Pools	Investors > Pools
Pricing Adjustment Matrices	Marketing > Pricing Rates > Pricing Adjustment Matrices
Program Agreements	Vendors > Program Agreements
Quick Quotes	Sales > Quick Quotes
Quick Quotes: Quote Details	Sales > Quick Quotes > Create (Note: Click Next on the Quote Details page to provide/view applicable information)
Receivable Invoices	Investors > Transactions > Receivable Invoices
Remarket Orders	Asset Management > Remarket Orders
Remarketer Assignments	Asset Management > Remarketing Policies > Remarket Assignments
Repair Costs	Asset Management > Remarketing Policies > Repair Costs
Reports Summary	Setup > Accounting > Reconciliation Templates

Page Name	Navigation Path
Requests	Operations > Processing > Monitor Finance > Processing > Monitor Asset Management > Processing > Monitor
Residual Value Writedown	Finance > Asset Transactions > Residual Value Writedown
Salvage Value Writedown	Finance > Asset Transactions > Salvage Value Writedown
Schedule Request	Operations > Processing > Schedule (Note: Click Next on the Schedule Request page to provide applicable information) Finance > Processing > Schedule (Note: Click Next on the Schedule Request page to provide applicable information) Asset Management > Processing > Schedule (Note: Click Next on the Schedule Request page to provide applicable information)
Standard Rate Templates	Marketing > Pricing Rates > Standard Rate Templates
Subsidies	Marketing > Pricing Programs > Subsidies
Subsidy Pools	Marketing > Pricing Programs > Subsidy Pools
Task Setup for Automatic Insurance	Risk Management > Insurance Programs > Insurance Tasks
Update Task Setup for Automatic Insurance	Risk Management > Insurance Programs > Insurance Tasks > Create

Page Name	Navigation Path
Variable Interest Rate Processing	Operations > Processing > Variable Interest Processing Status Finance > Processing > Variable Interest Processing Status Asset Management > Processing > Variable Interest Processing Status
Vendor Accounts Summary	Vendors > Vendors Account
Vendor Disbursement Terms	Vendors > Disbursement Terms

Glossary

\$1 buyout

The end of term purchase option given to the lessee where the fixed purchase option is at a value of \$1. A \$1 buyout is used in conjunction with a \$1 purchase option.

accrual accounting

Recognizes economic events regardless of when actual cash transactions occur. The opposite of cash basis accounting.

advance rent

Rent received at the start of the lease that will be adjusted against the last rents.

advance/arrears indicator

Shows if the rents are billed in advance or in arrears of the rental period.

amortization

The systematic method for recording financial elements to income or expense over a defined period, typically the lease or loan term.

approver

The person who is authorized to approve the document before the next activity may be carried out.

asset item

Anything you make, purchase, or sell including components, subassemblies, finished products, or supplies that carries a cost and is valued in your asset subinventories.

articles

Textual sections of contract terms and conditions.

as-due basis

An event initiated based on when the invoice is due.

asset disposition

Sale or disposal of assets.

authoring

A process of creating a contract.

auto-invoice

The process of automatically invoicing the lessee for a payment due. This process can be automated by running a concurrent program.

auto-terminate

The process of automatically terminating a lease contract when it reaches its end of term. This process is automated by running a concurrent program.

billed basis

An event initiated based on when the item is billed.

billing

The process of notifying the responsibility party of amounts due.

billing frequency

The frequency with which bills are presented to a customer.

booking

The process of preparing and recording accounting records associated with a contract.

broker

A person or organization acting as an agent to vendor, dealer, or lessor in negotiating a transaction.

buck-out lease

Full payout, net leases structured with a bargain purchase option for the lessee to purchase the equipment for one dollar at the expiration of the lease. These leases are often referred to as dollar buyout or buck-out leases.

business unit

A business unit is an entity created by a company to manage a certain segment or segments of its business. The business unit can span multiple product lines and geographies.

buyout

customer buys equipment from lessor at the end of the contract's full life.

buyout amount

This is the amount necessary for the customer to pay in order to consider the contract paid in full.

cancellation

When a customer has the contractual right to end an agreement (that is, the customer is at the end of term in month-to-month status, non-appropriation clause, or rental agreement).

capital lease

A type of lease classified and accounted for by a lessee as a purchase and by the lessor as a sale or financing. It must meet at least one of the criteria outlined in paragraph 7 of FASB 13. It is treated as debt and an offsetting depreciable asset for book accounting purposes.

capitalized cost

The cost of equipment to be leased plus various fees, charges, or interest that may be added to the equipment cost. The total capitalized cost--or basis--is the amount upon which the tax benefits or depreciation on the equipment are based.

cash basis

An event initiated based on when cash is received. A related pass-through disbursement is created when cash is applied against an invoice.

catch-all

A placeholder used at the top of a territory hierarchy when no other is defined in Territory Management.

closed item

An invoiced item that was paid.

collateral

The additional security provided by the borrower for availing the credit facility provided by the lender. The additional security is normally in the form of assets which are, in addition to the asset, financed by the loan or lease.

From a customer service perspective, collateral also is a static fulfillment document that doesn't contain merged data. It is usually some sort of marketing brochure or some other document. It is sent in an email as an attachment. It is often called a deliverable in the marketing applications.

concurrent program

An instance of an execution file, along with parameter definitions and incompatibilities. Concurrent programs use concurrent program executables to locate the correct execution file. Several concurrent programs may use the same execution file to perform their specific tasks, each having different parameter defaults and incompatibilities.

consolidated billing

One or more billing items combined into one group for invoicing purposes.

consolidated counter

A logical counter that groups the counters belonging to more than one contract. These counters need to be consolidated into one consolidated record as per customer requirement.

context

A context is a pool of global variables that are passed as parameters to functions. An instance of context should exist to execute Formulae.

context assembler

A Context Assembler is a PL/SQL procedure that creates a new instance of a context and populates values of context parameters. Each external entity which wants to use the Contracts Formula Engine must have its Context Assembler and Context.

context parameter

A context parameter is a variable of a context that is be passed as a parameter to functions. An instance of context parameter is created whenever a new instance of context object is required.

contract

A written, signed, Legal Agreement between/among trading partners that has financial, legal, and industry-specific operational consequences.

contract activation

A series of steps performed on an authored contract that culminates with a booked contract that is ready to be billed.

contract ID

Unique identifier of a contract.

contract status

The state of the contract. Possible values: new, passed, complete, incomplete, pending approval, booked, under revision, evergreen, litigation hold, expired, terminated,

reversed, amended, abandoned

contract validation

The application of various QA logic and business rules to a contract to insure it meets business requirements.

contracts formula engine thread

A formula is executed within an instance of a context. Operands of the formula can call other formulae and functions that are executed within the same instance of the context. This process is referred to as the contract formula engine thread.

contract shell

A contract in inactive state with minimal data contained in it. The minimal data is customer information and product category.

coterminous

All assets on a contract terminate at the same time, regardless of their start dates.

cure amount

The amount due to satisfy a customer's past due rents. The payment may be required from a vendor or other third party.

customization

Customizations are enhancements to an Oracle applications system made to fit the needs of a specific user community.

DBA

Name company is Doing Business As.

dealer

The dealer, or supplier, supplies equipment or some kind of services for a transaction. Either one of them may be a party to the vendor program agreement. See Supplier.

direct debit

Direct Debit is a feature offered by banks to enable their customers, the lessors, to collect payments due to them directly from the lessee's bank. The lessee must authorize the lessor to withdraw the funds

due date

The date on which payment is due from the customer.

direct finance lease

Direct finance lease is a non-leveraged lease by a lessor (not a manufacturer or dealer) in which the lease meets any of the definitional criteria of a capital lease, plus certain additional criteria.

disposition

Sale or disposal of assets.

disbursement

Disbursements are payments to suppliers or other third parties for the cost of equipment, a prepayment facility with lessor, maintenance, insurance and other services. Some disbursements such as pass-through and investor payments are linked to billing events.

distribution

Defined group of accounting codes that determine debit and credit accounts that is affected in the General Ledger. A distribution may define percentage-wise allocation of funds between accounts.

distribution group

Distribution group is a logical grouping of distributions.

effective dates

Effective dates are the dates a record is effective or to be in use.

employee

A resource type that represents a person who is hired to work for a company. Employee resources can be input as resources in various pages available without installing the Human Resources Management System (HRMS).

end-of-term (EOT)

The end of the primary or renewal term. Unless specified otherwise, end-of-term refers to the end of the primary term.

end-of-term option

An option used to derive the future value component of the leasing pricing equations. It can be based on either the expected residual value or a purchase option. The value is assigned for specific combinations of contract term and items or item categories. The option is not used for termination quote calculation.

escalation

Actions in a process that increase in extent or intensity.

evergreen

Evergreen refers to a lease contract period past the initial term end date, when rents are still collected. Evergreen is the default contingent continuation of a lease after its contractual end-of-term, where a lessee continues to pay indefinitely.

The contract language includes an Evergreen Eligibility Clause, indicating the customer will be billed a rental amount indefinitely unless they provide the Equipment Return Notice by a certain date.

execution date

The strategy performance date. At the execution date a member of the assignment group executes the strategy and notes the action taken.

Also refers to the date a lease contract is signed.

exposure

The total amount of credit risk the lessor has with the customer. This amount is normally the amounts due, plus net investment value (NIV), plus approved credit not drawn down.

fair market value lease

A lease that includes an option for the lessee to either renew the lease at a fair market value, or purchase the equipment for its fair market value at the end of the lease term.

FASB

An acronym for Financial Accounting Standards Board.

FASB 13

The FASB's statement of Financial Accounting Standards No. 13 is recognized as the accounting guideline for financial statement reporting of lease investments and/or liabilities.

FASB 109

The FASB's statement of Financial Accounting Standards No. 109 supersedes FASB statement 96, Accounting for Income Taxes. This includes a basic principle that *the measurement of deferred tax assets is reduced, if necessary.*

financial product

A financial product in Oracle Lease and Finance Management groups together a set of attributes and rules based on which contracts are created. It is mandatory for every contract to be associated with a single product.

fixed rate

A contract with an interest rate factor that does not change during its life.

fixed purchase option

a pre-defined fixed price that is agreed to by the lessor/lessee while writing a contract.

flexfield

A flexible data field format that your organization can customize to your business needs without programming.

floor price

The targeted minimum amount acceptable for the sale of an asset.

FMV

An acronym for Fair Market Value. The price for which property is sold in an arms-length transaction between two unrelated parties. (See Fair Market Value Lease.)

form

Forms are a logical collection of fields, regions, and graphical components that appears on a single page. Oracle applications forms resemble paper forms used to run a business. You enter data by typing information into the form.

forms server

A Forms server is a type of application server that hosts the Forms server engine. It mediates between the desktop client and the database, providing input pages for the Forms-based products on the desktop client and creating or changing database records based on user actions.

formula

An arithmetic operation over operands.

formula counter

Formula type counters allow users to use simple math to derive the counter value. For example, you use a formula counter to track total number of copies made with photo copy machine, which provides both black and white copies and color copies.

full payout lease

A lease in which the full cost of the asset is recouped through the lease stream. The present value of the lease stream equals the initial product cost. The lessor assumes no residual value for the equipment at end of term. In essence, this is a loan to the lessor's customer, the lessee. However, by including a \$1 end of term buyout, the lessor and lessee treat the transaction as a lease.

function

A function is a register of a function that returns a scalar numeric value.

function parameter

A function parameter passes a value to function. The function parameter gets its value from the corresponding context parameter. The context parameter comes from an instance of context in which the function is executed.

funding

Generally, funding is the process of paying a supplier for leased equipment.

general ledger

The General Ledger (GL) is the book of final entry summarizing all of a company's financial transactions through offsetting debit and credit accounts.

general loss provision

Loss Provisions and reserves established based on contract types and aging categories to offset write-offs for bad debts.

general reserve

See *general loss provision*.

gross remaining receivables

The remaining unpaid billed and not billed gross receivable at a point in time.

guaranteed residual

That portion of the residual that becomes guaranteed from a third party through the purchase of residual value insurance and is to be accounted for as accounts receivable rather than residual receivable.

guarantor

The entity that guarantees payments in the event of lessee default.

insurance premium

The amount paid or payable by the lessee to the lessor, and by the lessor to the insurance provider, for the insurance policy. It can be paid either in installments or upfront in a lump sum.

insurance provider

The insurance company or underwriter who insures the asset(s) on a lease. The insurance policy may be funded by either the lessor or the lessee, but the insurance provider is the financial institution that sells the policy and covers the asset.

interaction

An interaction is a touch point that occurs between a customer, a customer system, a resource, or a resource system. An example of a touch point is a phone call between an agent and a customer. Interactions include activities, media, and media items.

Interaction History

Interaction History (IH) provides Oracle applications with a common framework for capturing and accessing all interaction data associated with customer contacts. IH acts as the central repository and provides a consistent API for tracking all automated or agent-based customer interactions.

inventory item

Items you stock in inventory. You control inventory for inventory items by quantity and value. Typically, the inventory item remains an asset until you consume it. You recognize the cost of an inventory item as an expense when you consume it or sell it. You generally value the inventory for an item by multiplying the item standard cost by the quantity on hand.

investor

Investors are parties to syndicated contracts. For the purpose of this document, **investor** and **syndicated party** are interchangeable terms.

investor stake (%)

The amount an investor pays to acquire an interest in an investor agreement.

invoice

A bill sent to a customer, or a notice for the lessor to pay a disbursement to an investor.

invoice amount

Total amount of charges on an invoice.

invoice date

The date of the Oracle Receivables invoice. The invoice creation date, invoice date, invoice printing date, and the due dates can be different in any receivables system. In Lease and Finance Management, the invoice date and payment term derive the due date.

invoice format

Invoice format is a group of invoice types that specify how data is to appear on the invoices.

invoice generation

The process of creating an open receivables invoice within Oracle Receivables.

invoice parameters

Invoice Parameters specify rules for grouping transactions within an Oracle Lease and Finance Management invoice.

items

Items can be master documents, collateral, or attachments in fulfillment. Items are inserted in the body of an email. Items are selected from the list of all possible documents and collateral material available to the user from fulfillment templates.

IVR

Acronym for Interactive Voice Recognition.

journal entries

A set of financial data that is of significance for recording ledger transactions in accounting.

key flexfield

A key flexfield is a field format you can customize to enter multi-segment values such as part numbers, account numbers, location, and so on. Key flexfields relate to specific uses in Oracle applications.

late charge

An amount assessed as a result of the payment due on a contract not being received within a certain pre-set number of days from the due date.

late interest

Refers to the interest rate factor applied to an outstanding invoice amount from the time it is due until it is paid.

lease

A lease is a contract in which one party conveys the use of an asset to another party for a specific period of time for a predetermined payment amount.

lessee

User of the equipment being leased.

lessor

Owner of the equipment which is being leased.

lockbox

A service offered by banks to companies in which the company receives payments by mail to a post box office, and the bank picks up the payments several times a day, deposits them into the company's account, and notifies the company of the deposit. Lockbox enables the company to put the money to work as soon as it is received.

lookup codes

Embedded codes in Oracle Applications that enable you to define a feature prior to setup. These include defining article sets, contract roles, and so on.

margin

For variable interest rate, add margin to the base interest rate factor to determine the actual rate of interest. This is expressed as the number of basis points on top of the index rate.

master lease contract

A master lease contract is an (electronic) document, which contains leasing terms and conditions that, through reference to the master lease agreement number, can apply to contracts.

media

In Interaction History, media represents the communication channel through which an activity takes place. Examples can include: the phone, the fax machine, an ATM, or a cell phone.

messages

A message is an informative note maintained with the customer's invoice record. There are several types of messages, including the following: a permanent message, a one-time message, or a miscellaneous message.

meter read

Actual number of usage units from a counter at a point in time.

mill rate

The percentage tax rate in effect for property tax. (This applies to the USA only.)

net book value (NBV)

In terms of an operating lease, it is the original first cost, less accumulated book depreciation. The amount represents the lessor's investment in a lease.

net investment

The investment or equity, net of expected income, a lessor has in a transaction.

net present value (NPV)

The net present value (NPV) is the valuation method based on discounted cash flows. NPV is calculated by discounting a series of future cash flows and summing the discounted amounts.

non-consolidated counter

A non-consolidated counter is assigned to each asset on a specific contract.

non termination write down

Creation of a loss provision on a contract without terminating the contract.

Notes

Notes is a tool that provides locations where you can specify more text detail, if needed. You can add a note to a task in Task Manager.

note status

There are three statuses available for notes in Oracle Applications:

- Private: Only the creator can view it.
- Public: The creator and others can read or write to it.
- Publish: Publishable over the Internet. Everyone can view it.

note text

A large text note, such as a customer's letter or directions.

note type

Note type is selected from a lookup table. You can add note types through the setup window. They provide a further categorization of notes based on a user's needs. Also, you can tie a note type to a source type and such note types are visible only to that mapped source. Therefore, you must choose between the entire list of note types that have been defined for your source and those which do not have any source type attached to them.

object

An object is any identifiable individual or thing. It can be physical, such as a telephone or PBX, or an abstract concept, such as a market campaign in Interaction History.

OEC

An acronym for Original Equipment Cost, which is the original cost of the leased equipment.

OKL

An acronym for the Oracle Lease and Finance Management product, as designated in the Oracle applications database.

OLM

A general reference acronym for Oracle Lease and Finance Management, not to be confused with Oracle Learning Management.

open item

A receivable item that has not been paid.

operand

An operand is a register of an object that can take part in arithmetic operations. Operand can use formula, function or a regular expression as the source for its value.

operating agreement

1. An operating agreement is a mutual agreement between a lessor and vendor to work together and administer certain financing programs which set specific terms and conditions for future transactions. 2. For more complex business models, Oracle Lease and Finance Management enables a two-tier vendor agreement structure. The operating agreement serves as a parent to a program agreement. Operating agreements are not operating unit-specific. Therefore, they may act as parents to program agreements from various operating units and may have different primary parties than the program agreement.

operating lease

A lease which does not satisfy any of the criteria of a "capital lease" under local accounting principles.

partial termination

The amount a customer must pay for a subset of assets and a contract to terminate them and pay off all future amounts due.

payment in advance

Periodic payments due in advance of the rental period.

payment in arrears

Periodic payments due before the last day of the rental period.

payment level

A payment level is the number, frequency, and due amount for a specific time period.

payment method

Method used to facilitate and process payment.

PO Number

Purchase Order number.

principal balance

A loan concept, which can also be used in leasing vernacular, designating remaining gross receivable, less unearned finance charges.

private label

Private label products or services are typically those manufactured or provided by one company for offer under another company's brand.

product

Usually, financial product (not an asset; for example, not a piece of equipment).

product option

A property of a financial product that defines a value or allows the user to select a value from a set of values at the time of the lease authoring. Options are typically associated with specific terms and conditions that govern the behavior of contract transactions. At the time of authoring a contract, you can render an option as **required** or as **optional**. A typical option with multiple values associated with it might be **Interest Method** or **End-of-term Purchase** option.

product quality

A property of a financial product that is mandatory and, once selected, cannot be changed. Qualities are used for the purpose of categorization of products.

profile options

In Oracle Applications, profile options enable you to turn on or off specific functionality, such as integrations and processes, and allows you to set specific parameters that govern a process or transaction such as number of days before a task is due that the user is notified.

program agreement

An agreement between a lessor and a vendor such that the lessor provides financing for the vendor to its customers. The terms and conditions of the program agreement may govern aspects of the leases created as a result of the program.

property tax

Tax assessed for owning property.

pro-rate read

An actual reading, but received either before or after the due date. To use pro ration, calculate a daily rate and then multiply that value to the number of days from the last meter read due date until the current meter read due date.

purchase option

An option given to the lessee to purchase the equipment from the lessor, usually as of a specified date. Options vary in type: Guaranteed Purchase Option (GPO), Bargain Purchase Option, Fair Market Value Option (FMV), Mid-Term Purchase Option.

quote history

This is the history of buyout quotes given to a customer.

rebooking

The process of altering an existing lease/loan transaction due to some financial change in the deal structure; rental payment change, credit extension, due date change, etc. New accounting entries or adjusting entries are made when the contract is reactivated.

re-amortization

Recalculation of rental payments on variable rate products as interest rates change.

recourse

The right of the lender/lessor to pursue payment from a third party if the lessee/borrower defaults.

regular counter

Physical counters found in tangible objects like automobiles, gas meters, photo copy machine, etc.

re-lease

Assets from previous leases that are placed onto a new lease.

remit-to address

Address where customers send in the payment for their invoices.

repurchase

Vendor or other third party agrees to purchase original asset when it comes off lease.

repurchase amount

The amount required from the vendor or third party to buy a transaction back. This amount is determined by pre-set calculation specified in the vendor agreement. This may vary from vendor to vendor.

residual amount

The estimated value of an asset at the end of a lease for which the lessee is not expected to pay.

residual value insurance

An insurance premium purchased from a third party so as to guarantee a portion of the residual value, which in turn is designated as a recovery of the capital cost and included in the FASB 13 test for classifying a leasing transaction.

residual write-down

Taken to reflect a drop in the expected market value of an asset at lease expiration.

resource

The basic element of the Resource Manager in Oracle Applications and is defined as people, places and things.

resource category

In Oracle Applications, any of five types of resources defined in Resource Manager: party, employee, partner, supplier contact, and other/to be hired (TBH).

Resource Manager

The Resource Manager is a tool used to define, access, and maintain all Oracle Applications resources.

responsibility

A responsibility is a level of authority in Oracle Applications that allows access only to those Oracle Applications functions and data appropriate to fulfill your role in the organization.

restructure

When an agreement is made with a customer to amend the current payment structure, usually to reduce regular payment amounts or extend the term.

role

Roles group various permissions at the page level and function level, are used to maintain application security.

role type

A role type is a group of related roles associated with a particular Oracle Applications module.

sales tax

Tax based on the sale of property by federal, state and local authorities.

sales-type lease

A lease in which the lessor is also the vendor (manufacturer or distributor) of the equipment.

salvage value

The accounting estimate of the asset value once it is depreciated over the term of the lease. This is typically based on an estimate of the future value, less a safety margin.

securitization

This is the process of selling the cash flows in a pool of assets to outside investors at a rate below the earning rate, enabling an accelerated gain to be recorded. The servicing and administration of the contracts for the pooled assets is normally retained by the lessor.

service (1)

- a) Customer Service, the Lease Center view of Oracle Lease and Finance Management provided to a lessor's Customer Service agents who login using the Lease Center Agent profile. Lessees, vendors, and other interested parties typically telephone into lessor's call center to ask questions regarding specific account details.
- b) Customer Self Service, web portal access to lessees so they can view their account and contract information. Set up by the lessor so that lessees can access their own account information, according to the lessor's information and security policies.
- c) Vendor Self Service, web portal access to both vendor and customer contract and account information. Set up by the lessor so that vendors and suppliers can access their own account information, and information on lessees of their equipment, according to the lessor's information and security policies. (May update and enter some transactions.)

service (2)

Service contracts on leased equipment assets. (Also, Oracle Service Contracts is a separate Oracle E-Business Suite application that integrates with Oracle Lease and Finance Management.)

service and maintenance

Fees charged to a customer for servicing or warranting assets, such as extended warranty contracts.

specific provision or reserve

A loss provision or reserve, established to recognize potential impairment of the

collection of a specific receivable.

stipulated loss value table

A table indicating the amount to be paid to the lessor in case a leased asset is lost or destroyed.

straight-line depreciation

A form of depreciation whereby the owner of the equipment takes an equal amount of depreciation in each full year of the equipment's useful life or recovery period.

stream

A stream is a schedule of amounts and associated dates.

stream activity

Stream activity types describe the state of the stream. A stream can be ACTIVE, CURRENT, HISTORY, or WORKING.

stream element

A single amount and its corresponding date (that is, a cash flow). A stream element is the line level detail of a stream. A stream can have multiple stream elements.

stream purpose

A stream purpose is an important attribute of a stream type that determines how Lease and Finance Management processes the stream. Lease and Finance Management recognizes streams based on their stream purpose name.

stream type

The functional name for a stream which relates to the attributes used to process a stream.

stream type subclass

Rent or Residual.

subledger

A book in which the monetary transactions related to a specific financial function of a business are posted in the form of debits and credits before the financial transaction is posted in the General Ledger.

supplier

Oracle Payables uses the term "Supplier" for vendors, so "Vendor" and "Supplier" are used interchangeably for the purpose of this document, unless specified otherwise.

syndicated contract

Investors other than the lessor invest a stake in the contract in return for a portion of the rent and related receivables. Oracle Lease and Finance Management makes a disbursement to an investor in relationship to the billing. Information about the investment and disbursement method is setup when the investor agreement is authored.

syndication

The selling off of a deal, or portion of a deal, to outside investors. This arrangement reduces the lessor's risk and accelerates the return on the deal. See Investor Agreements in the *Oracle Lease and Finance Management User's Guide*.

system administrator

The system administrator is the person who manages administrative tasks in Oracle Applications, such as registering new users and defining system printers, using the system administrator responsibility.

task

A task is a discrete unit of work that is assigned to one or more individuals. Tasks are managed by the Task Manager. Tasks are often scheduled events and have defined expirations.

task group templates

A task group template is a grouping of different task templates defined during setup in Task Manager.

Task Manager

Task Manager is a tool used to manage tasks throughout other applications. Task Manager provides a mechanism for tasks to be created, assigned, managed, sorted, and prioritized to provide timely response to customer issues.

task owner

An owner is the person (resource) that creates and is responsible for the task.

task type

A task type defines the nature of the task such as a callback or a meeting.

terminal rental adjustment clause (TRAC)

A provision in a lease that permits or requires an adjustment of rentals according to the amount realized by a lessor upon a sale of the leased equipment. This allows the lessor to guarantee a terminal (residual) value while still claiming tax ownership on a lease. This benefit only applies to certain classes of vehicles.

termination

The process of ending a leasing transaction with the lessee.

territory

A territory is an organizational domain with boundaries defined by attributes of customers, products, services, and resources in Territory Management.

territory administrator

This person administers the specific and periodic duties of Territory Management.

Territory Manager (TM)

Territory Manager is a tool that helps manages territories.

TCA

An acronym for Trading Community Architecture. This is a standardized approach in Oracle Applications for handling customer and other party information.

termination quote

Termination quotes allow contracts or assets on a contract to terminate early or at the expiration of a contract. Termination quotes identify the financial impact of the termination. The various business rules specified in a contract's terms and conditions are the basis of calculating the financial impact of a termination quote.

terms and conditions

Financial and legal arrangements that are agreed to by parties of a contract.

transaction business category (TBC)

A business classification provided by Oracle E-Business Tax to identify and classify business transactions.

transfer and assumption

When a contract obligation and use of leased assets are transferred from one party to another party with the lessor's consent.

transaction type

An event in Oracle Lease and Finance Management relating to a contract or asset.

UBB

An acronym for Usage Based Billing. Rental payments are derived in part or in full, based on a specific rate per number of units used or counted.

user

A user is any person who needs access to any application, including various types of customers, partners, suppliers, and employees.

user ID

The User ID is a combination of a user name and its password.

user profile

User profiles, which are associated with responsibilities, are a set of user interfaces that give users access to their personal data and preferences.

user type

A user type is a category of users that caters to the specific needs of an application's business requirements in User Management. User types allow flexible and extensible ways for defining, categorizing and implementing behavior of users. A user type is associated to only one template, one responsibility, zero or one approval and zero or more roles.

value added tax (VAT)

An indirect tax on consumer expenditure that is collected on business transactions and imports. VAT is charged at each stage (for example, production, distribution, retail, etc.) in the supply of products. If a customer is registered for VAT and uses the supplies for taxable business purposes, they will receive credit for this VAT paid. The broad effect is that VAT is actually borne by the final consumer of a product.

vendor

A supplier of equipment or services. A vendor can be a manufacturer, reseller, distributor, or dealer.

vendor program

An agreement between the lessor and a vendor to create a specific financing program for the vendor's customers who desire financing. The terms and conditions of the vendor program may govern aspects of the deals created as a result of the program.

warrant

A warrant is an option to purchase an equity instrument. Lessors may accept warrants as collateral on deals.

workflow

A complete workflow management system that supports business process definition and automation in Oracle Applications. Typically, workflow is used for contract approval, change requests, and notifications.

workflow attributes

Workflow attributes control the behavior of the workflow.

workflow monitor

The workflow monitor is a Java based tool used for administering and viewing workflow process.

write off

When a contract is deemed uncollectable, the loss is recognized for accounting purposes by charging off future receivables and/or investments.

yield

A measurement of profitability obtained from a series of cash flows. This may represent the lessor's return on invested funds.

90% Test

A Financial Accounting Standards Board (FASB) test, which indicates whether or not 90% or more of the cost of the leased equipment, at lease inception, will be recovered through the present valuation of minimum lease payments using the lessee's incremental borrowing rate.

Index

Symbols

passthroughs
viewing in the Lease Center, 14-19

A

abandoned, contract status, 20-8, 21-2, 24-5, 24-8

acceptance

pre-proceed, 20-5

termination quote, 20-40

upon receipt, 20-5

accounting

Accounting Entry Process, concurrent

program, B-2

Accounting Entry Process, concurrent program,
B-2

Accounting Processes, 30-15

Accounting Transactions, 30-1

Overview, 30-1

account tab

consolidated invoices, 31-25

lease center, 31-20

view customer account information, 31-21

accrual accounting, defined, Glossary-1

activate, master lease agreement, 9-6

adjusted cost, asset, 30-10

adjustment matrix, 5-8

advance indicator, defined, Glossary-1

advance rent, defined, Glossary-1

agreement

create master lease agreement, 9-2

master lease, 9-1

agreements

statuses, A-4

amended, contract status, 20-9, 21-2, 24-5, 24-8

amortization

defined, Glossary-1

approve

by third party, 20-42

repair, 26-3

approved, contract status, 20-9, 21-2, 24-5, 24-8

approver, defined, Glossary-1

arrears indicator, defined, Glossary-1

article, defined, Glossary-1

articles

master lease agreement, 9-5

operating agreements, 34-5

program agreements, 34-11

as-due basis, defined, Glossary-1

asset

about, 30-8

adjusted cost, 30-10

billing for sale of, 27-10

category, 30-9

change residual value write down, 30-13

change salvage value write down, 30-11

condition, 26-2, 26-3

corporate book, 30-11

damage details, 26-3

depreciation, 30-9

depreciation method, 30-9, 30-10

hold period days, 30-9, 30-10

in service date, 30-12

item category, 30-14, 30-15

number, 27-8, 30-14, 30-15

off-lease transactions, 30-9

- off-lease transaction summary, 30-9
- original cost, 30-12
- price, important note about, 25-7
- put into context, 25-4
- record adjustments, 10-76
- remarket off-lease, 27-2
- remarket orders, 27-5
- repair details, 26-4
- residual value write down, 30-13
- sale of off-lease, 27-9
- salvage value write down, 30-11
- search for remarket orders, 27-5
- search for returned, 25-4
- serial number, 30-12
- specify residual value write down, 30-13
- specify salvage value write down, 30-11
- status, 30-12
- transaction date, 30-10
- transaction status, 30-9
- transaction type, 30-9
- type, 30-12
- update off-lease transaction, 30-10
- view information about, 20-37
- view residual value details, 30-14
- view salvage value details, 30-12
- view summary in lease center, 31-28
- asset conditioning, 26-1
- asset disposal, 27-1
- asset disposition, defined, Glossary-2
- Asset Management Dashboard, 2-16
- Asset Management Terminate Expired Contract, concurrent program, B-6
- asset return
 - condition type, 26-5
 - create condition line, 26-3
 - create condition of, 26-2
 - damage type, 26-5
 - issue repair invoice, 26-5
 - repair code, 26-5
 - repair cost, 26-5
 - repurchase, 27-8
 - repurchase agreement, 27-8
 - set up, 10-25
 - specify fees for, 25-10
 - specify inventory, 25-8
 - specify shipping, 25-9
 - update, 25-7

- update condition line, 26-4
- asset tab
 - insurance policy, 31-39
 - lease center, 31-28
 - view asset summary, 31-28
 - view property tax, 31-33
 - view third-party insurance, 31-40
- attachments, 10-140
- authoring
 - defined, Glossary-2
 - overview, 10-1
 - terms and conditions, 10-12
- Automatic Insurance, concurrent program, B-18
- available for sale
 - important note about, 25-7

B

- batch process, contract termination, 24-7
- bill
 - sale of off-lease asset, 27-10
- billed basis, defined, Glossary-2
- billing
 - advance, 17-25
 - contractual amounts, 17-5
 - defined, Glossary-2
 - disbursements, 19-1
 - event based, 17-7
 - evergreen, 17-29
 - investor agreement, 17-30
 - manual, 17-21
 - policy based, 17-20
 - service contract, 17-19
 - set up, 10-17
 - taxes, 17-31
 - third party, 17-32
 - usage based, 17-10
 - variable rate, 17-8
 - view setup in lease center, 31-12
- billing frequency, defined, Glossary-2
- Billing Overview, 17-1
- book
 - asset corporate, 30-11
- booked, contract status, 20-8, 24-5, 24-8
- booking
 - defined, Glossary-2
 - overview, 10-131

buck-out lease, defined, Glossary-2
Business Reporting, 39-1
buyout amount, defined, Glossary-3

C

calculate late charges, concurrent program, B-10
calculate late interest, concurrent program, B-11
Calculate Late Interest, concurrent program, B-11
cancellation, defined, Glossary-3
capitalized cost, defined, Glossary-3
capital lease, defined, Glossary-3
cash basis, defined, Glossary-3
catch-all, defined, Glossary-3
category
 asset, 30-9
 asset item, 30-14, 30-15
change requests
 operating agreements, 34-20
clawback, 14-21
closed item, defined, Glossary-3
collateral, defined, Glossary-3
complete, contract status, 20-8, 21-2, 24-5, 24-8
Concurrent Cash Application, concurrent program, B-20
concurrent program
 defined, Glossary-4
 list of, B-1
concurrent programs
 on demand, B-1
 schedule, B-1
condition
 asset, 26-2, 26-3
 create asset, line, 26-3
 create asset return, 26-2
 issue repair invoice, 26-5
 update asset, line, 26-4
condition type, asset return, 26-5
consolidated billing, defined, Glossary-4
consolidated counter
 defined, Glossary-4
consolidated invoice
 view in lease center, 31-25
consolidated quotes, 22-1
Consolidate Vendor Disbursements, 19-21
contact
 under revision, 16-37

context
 defined, Glossary-4
 put asset into, 25-4
context assembler, defined, Glossary-4
context parameter, defined, Glossary-4
contract
 asset lines, 10-54
 authoring overview, 10-1
 booking, 10-131
 defined, Glossary-4
 early termination of, 20-18
 end-of-term strategy, 28-1
 fee lines set up, 10-82
 file documents, 10-23
 insurance line, 10-121
 late charges and interest set up, 10-18
 line, 10-53
 master lease, defined, Glossary-12
 number, 30-12, 30-14, 30-15
 parties, 10-10
 payment structure set up, 10-103
 portfolios, 28-1
 residual value insurance, 10-22
 service lines, 10-94
 status, 30-12
 terminations, 24-1
 terms and conditions, 10-12
contract activation, defined, Glossary-4
contract authoring
 create a contract, 10-3
 create interest rate details, 10-119
contract detail, review in lease center, 31-9
contract formula engine thread, defined, Glossary-5
contract header
 Lease Center window, 31-7
contract ID, defined, Glossary-4
contract interaction, view in lease center, 31-11
contract line
 set up overview, 10-53
contract line usage, 10-101
contract portfolio
 maintain, 28-1
 portfolio execution date, 28-2
 portfolio status, 28-2
 search, 28-1
 update, 28-1

- contract revision
 - rebook, 16-6
 - re-leased asset, 16-4
 - reverse, 16-36
 - split asset, 16-37
- contract shell, defined, Glossary-5
- contracts tab, in E-Business Suite, 31-3
- contract status
 - abandoned, 20-8, 21-2, 24-5, 24-8
 - amended, 20-9, 21-2, 24-5, 24-8
 - approved, 20-9, 21-2, 24-5, 24-8
 - booked, 20-8, 24-5, 24-8
 - complete, 20-8, 21-2, 24-5, 24-8
 - defined, Glossary-4
 - evergreen, 20-8, 21-2, 24-5, 24-8
 - incomplete, 20-8, 21-2, 24-5, 24-8
 - litigation hold, 20-8, 21-2, 24-5, 24-8
 - new, 20-8, 21-2, 24-5, 24-8
 - passed, 20-8, 21-2, 24-5, 24-8
 - pending approval, 20-9, 21-2, 24-5, 24-8
 - permissible processes, 20-8
 - request termination, 24-5
 - restructure quote, 21-2
 - reversed, 20-9, 21-2, 24-5, 24-8
 - terminated, 20-9, 21-2, 24-5, 24-8
 - termination hold, 20-9, 21-2, 24-5, 24-8
 - termination quote, 20-8
 - under revision, 20-8, 21-2, 24-5, 24-8
- contract termination, 20-41
- contract termination, status, 24-8
- contract terminations
 - impact of automatically processing the fixed purchase option, 24-9
 - impact of terminating linked contracts, 24-9
- contract validation
 - defined, Glossary-5
- cost
 - asset original, 30-12
 - repair, 26-5
- coterminous, defined, Glossary-5
- Create AR Adjustments, concurrent program, B-11
- Create Receivables Variable Rate Invoices, concurrent program, B-11
- credit
 - credit lines, 8-17
 - overview, 8-1

- setup, 8-2
- credit checklists, 8-2
- credit lines, 8-18
 - create, 8-18
 - overview, 8-17
 - using, 8-22
- credit lines statuses, A-2
- cure amount, defined, Glossary-5
- Cures, 35-1
- customer history, view in lease center, 31-11
- customer service, lease center overview, 31-1
- customization, defined, Glossary-5

D

- damage, asset return type, 26-5
- damage detail, asset, 26-3
- DBA, defined, Glossary-5
- depreciation
 - asset, 30-9
 - method, 30-9, 30-10
 - method for asset, 30-9
 - straight-line defined, Glossary-19
- direct finance lease, defined, Glossary-5
- disbursement, defined, Glossary-6
- disbursements
 - overview, 19-1
 - to investors, 33-20
- Disbursements
 - Generate, 19-9
- discount, termination quote, 20-18
- disposition, defined, Glossary-6
- distribution, defined, Glossary-6
- distribution group, defined, Glossary-6
- documents tab, lease center, 31-57

E

- early termination
 - quote calculation, 10-35
- E-Business Center
 - navigate to in lease center, 31-3
- E-Business Suite
 - Contracts tab, 31-3
- eligibility criteria, 5-16
- end of term options, 5-3
- end of term termination
 - quote calculation, 10-42

equipment exchange, lease center, 31-49

evergreen

contract status, 20-8, 21-2, 24-5, 24-8

set up in contract, 10-20

view status in lease center, 31-14

extend

end date of program agreement, 34-20

Extensible Attributes

enter, 10-129

F

factoring, set up in contract, 10-20

fee

line set up, 10-82

specify asset return, 25-10

fee line

specifying a passthrough for, 10-88

filing documents

contract, 10-23

fixed term renewals for evergreen contracts

quote and book, 23-9

flexfield

key, defined, Glossary-11

function

defined, Glossary-9

parameter, defined, Glossary-9

funding

defined, Glossary-9

G

general ledger

defined, Glossary-9

general loss provision, defined, Glossary-9

general reserve, defined, Glossary-9

gross remaining receivables, defined, Glossary-9

guaranteed residual, defined, Glossary-9

guarantor

defined, Glossary-9

H

history streams

purge, 11-11

hold period days, about, 30-9, 30-10

I

import

existing contracts, 13-1

incomplete, contract status, 20-8, 21-2, 24-5, 24-8

in service date, asset, 30-12

insurance

contract lines, 10-121

Insurance Management, 31-45

insurance policy, view in lease center, 31-39

Insurance Policy Expiration Notification,

concurrent program, B-18

insurance quote

accept, 31-37

modify, 31-37

save, 31-37

interaction, defined, Glossary-10

interaction history, defined, Glossary-10

interest, set up, 10-18

Interim Rent, 10-108

inventory, specify instructions, 25-8

investor agreement

activation, 33-30

disbursement, 33-30

investor agreements, 33-15

add pool contents, 33-10

buyback, 33-32

create for fixed pool type, 33-29

create pool for fixed type, 33-27

creating, 33-16

creating a pool, 33-7

creating pool using application, 33-28

disbursement processing, 33-27

disbursements, 33-20

field references, 33-32

fixed pool type, 33-27

implementation, 33-3

managing terminations, 33-32

overview, 33-1

pool cleanup, 33-12

pools, 33-5

pool transaction, 33-13

prerequisites, 33-3

prerequisites for creating an investor agreement, 33-16

prerequisites for creating a pool, 33-7

revenue share, 33-20

searching, 33-17

securitization, 33-2

- specific loss, 33-26
- steps for creating an investor agreement, 33-16
- steps for creating a pool, 33-7
- syndication, 33-1
- terms and conditions, 33-23
- transactions, 33-25
- updating, 33-31
- uploading pool data, 33-27
- investors
 - disbursements, 33-20
- invoice
 - format, defined, Glossary-10
 - parameters, defined, Glossary-11
- Invoices, Create, 17-37
- item, defined, Glossary-11
- item residual values, 5-3

J

- journal entry
 - defined, Glossary-11

K

- key business flow
 - accounting period open to close, 1-4
 - inquiry to resolution, 1-4
 - invoice to receipt, 1-3
 - overview, 1-1
 - quote to termination, 1-3
 - return to disposal, 1-3
- key concept, stream generation, 11-1
- key flexfield, defined, Glossary-11

L

- late charge
 - set up, 10-18
- late charges and interest, view in lease center, 31-13
- lease, sales type, Glossary-18
- Lease and Finance Management
 - Period Balances Dashboard, 2-27, 2-27
- Lease and Finance Management Command Center
 - Asset Management dashboard, 2-16
 - Lease Cash Flow, 2-40
 - Meter Management dashboard, 2-4

- overview, 2-2
- Revision Management dashboard, 2-34
- Vendor Cash Flow dashboard, 2-11
- lease application
 - business process, 8-7
- lease application templates, 8-3
- Lease Cash Flow Command Center, 2-40
 - Credit Memo Dashboard, 2-61
 - Invoices Dashboard, 2-50
 - Open Receipts dashboard, 2-40
 - Payment Prediction Dashboard, 2-65
 - Receipts Dashboard, 2-56
- lease center
 - account tab, 31-21
 - account tab overview, 31-20
 - asset tab overview, 31-28
 - documents tab overview, 31-57
 - equipment exchange, 31-49
 - header information, 31-5
 - navigation paths, 31-3
 - overview, 31-1
 - overview tab, 31-8
 - parties tab overview, 31-19
 - party information
 - update, 31-20
 - related contracts tab overview, 31-63
 - requests tab overview, 31-47
 - schedules tab overview, 31-59
 - structure tab, 31-12
 - tasks tab overview, 31-58
 - termination quotes, 31-47
 - transaction tab overview, 31-26
 - transfer and assumptions, 31-51
 - view billing set up, 31-12
 - view consolidated invoices, 31-25
 - view contract interaction history, 31-11
 - view customer information, 31-11
 - view evergreen status, 31-14
 - view insurance policy, 31-39
 - view interest rate, 31-14
 - view late charges and interest, 31-13
 - view security deposit, 31-14
 - view termination/renewal, 31-15
 - view third-party insurance details, 31-40
 - window, 31-5
- Lease Center
 - structure tab

- contract structure: purchase options, 31-18
- lease center overview tab
 - add notes, 31-9
 - create new note, 31-11
 - create quick note, 31-10
 - review contract details, 31-9
 - view notes, 31-10
- Lease Center window
 - contract header, 31-7
- lease contracts
 - statuses, A-3
- Lease Contracts
 - terms and conditions, 34-13
- lease opportunity, 4-7
- lease quote
 - create, 10-82
- lease rate sets, 5-10
- lease sales quote
 - converting an estimate, 7-13
 - create lease sales quote, 7-1
 - overview, 7-1
 - pricing options, 7-4
- lease sales quotes
 - statuses, A-1
- legacy contract
 - import facility, 13-1
- lessee, defined, Glossary-11
- lessor, defined, Glossary-11
- Like-Kind Exchanges, 30-6
- line
 - asset adjustments set up, 10-76
 - asset set up, 10-54
 - fees set up, 10-82
 - insurance overview, 10-121
 - service set up, 10-94
 - set up, 10-53
 - usage set up, 10-101
- lines of credit
 - overview, 8-17
- litigation hold, contract status, 20-8, 21-2, 24-5, 24-8
- loan contracts
 - statuses, A-3
- lookup code, defined, Glossary-12
- Loss Provisions, 30-4

M

- maintain contract portfolio, 28-1
- manual termination quote
 - add quote line, 20-30
- margin, defined, Glossary-12
- mass rebook, 16-42
 - identification parameters, 16-42
 - process, 16-42
- master lease agreement
 - activate, 9-6
 - add articles, 9-5
 - add terms and conditions, 9-4
 - create, 9-2
 - overview, 9-1
- master lease agreements
 - overview, 9-1
- master lease contract, defined, Glossary-12
- Meter Management dashboard, 2-4
- meter usage, 17-12
- miscellaneous
 - termination quote, 20-18
- Miscellaneous Transactions, 30-15
- Multi-GAAP Accounting, 29-22
- multiple contracts, mass rebook, 16-42

N

- navigation paths, C-1
- net book value, defined, Glossary-12
- new, contract status, 20-8, 21-2, 24-5, 24-8
- non-termination write down, defined, Glossary-13
- note, add in customer service, 31-9

O

- off-lease asset
 - billing for sale of, 27-10
 - remarket, 27-2
 - remarket orders, 27-5
 - sale of off-lease, 27-9
 - search for remarket orders, 27-5
 - transactions, 30-9
 - transaction summary, 30-9
 - update transaction, 30-10
- open interface table, contract import, 13-1

Open Receipts Dashboard, 2-40

operating agreements

abandon, 34-26

adding articles, 34-5

adding parties, 34-4

adding parties and billing information, 34-8

creating, 34-3, 34-4

guidelines for attaching standard articles, 34-6

initiating change requests, 34-20

prerequisites, 34-3

prerequisites for adding articles, 34-5

program agreements, 34-2

terminate, 34-24

opportunity to quote

create lease quote, 10-82

Oracle Lease and Finance Management

accounting period open to close, 1-4

credit application to booking, 1-2

inquiry to resolution, 1-4

investor agreements, 1-4

invoice to receipt, 1-3

lead to opportunity, 1-2

overview, 1-1

quote to termination, 1-3

return to disposal, 1-3

vendor programs, 1-4

origination, 3-1

business process, 3-4

key business objects, 3-2

objectives, 3-2

origination

integration, 3-15

overview, 3-1

vendor origination, 3-14

outstanding receivables, 24-6

overview

Lease and Finance Management Command

Center, 2-2

P

partial termination, 20-41

parties

operating agreements, 34-4

parties and billing information

adding to operating agreements, 34-8

party

identify in contact, 10-10

send termination quote to, 20-36

view in lease center, 31-19

passed, contract status, 20-8, 21-2, 24-5, 24-8

passthrough

disbursement retrieval, 14-21

vendor reassignment, 14-8

passthroughs

calculating, 14-17

defining passthrough rules on a vendor

program, 14-12

features, 14-11

functional prerequisites, 14-11

generating accrual streams during contract

booking, 14-17

level and term usage of, 14-12

overview, 14-1

payout basis is billing, 14-19

payout basis is due date, 14-18

payout basis is receipt, 14-19

process flow, 14-2

querying, 14-19

rebooking contracts, 14-18

setup, 14-6

set up accounting templates, 14-7

set up stream generation templates, 14-7

set up stream types, 14-6

set up vendors, 14-8

specifying attributes, 14-12

terminating contracts, 14-20

usage in Oracle Lease and Finance

Management, 14-11

viewing in vendor self-service, 14-19

Passthroughs

specifying for a fee line, 10-88

Pay Invoice Preparation for AP Transfer,

concurrent program, B-16

Pay Invoices Creation of Auto-Disbursement

Process, concurrent program, B-17

Pay Invoices Transfer to AP Invoice Interface,

concurrent program, B-17

Payment Prediction Dashboard, 2-65

payment structure

set up contract, 10-103

pending approval, contract status, 20-9, 21-2, 24-5

, 24-8

Period Balances Dashboard, 2-27, 2-27

- period close process
 - asset adjustments, 30-23
 - book all contracts, 30-23
 - close accounting period, 30-27
 - close Fixed Assets, 30-27
 - close Payables, 30-26
 - close Receivables, 30-26
 - condition assets, 30-24
 - create loss provisions, 30-26
 - create manual journal entries, 30-25
 - disburse funds, 30-22
 - enter receipts, 30-25
 - generate periodic billing, 30-25
 - maintain insurance policies, 30-24
 - pre-billing activities, 30-24
 - rebook all contracts, 30-23
 - remarket assets, 30-24
 - run depreciation adjustment for accrual program, 30-26
 - run loss provision program, 30-26
 - run the accrual and income, 30-26
 - summary, 30-22
 - terminate contracts, 30-24
 - transfer accounting to Oracle General Ledger, 30-27
 - transfer miscellaneous billing, 30-26
 - transfer miscellaneous disbursements, 30-25
 - update syndicated contracts, 30-25
 - write-off receivables, 30-26
- pool
 - add contents to, 33-10
- pool cleanup
 - investor agreements, 33-12
- pools
 - investor agreements, 33-5, 33-7
- pool transactions
 - investor agreements, 33-13
- portfolio, contract, 28-1
- portfolio execution date, about, 28-2
- prefunding, 37-3
 - prefund pools, 37-1
 - progress payment, 37-6
- pre-proceed
 - quote acceptance, 20-5
 - what is, 20-40
- pricing
 - adjustment matrix, 5-8
 - eligibility criteria, 5-16
 - end of term options, 5-3
 - item residual values, 5-3
 - lease rate sets, 5-10
 - standard rate template, 5-6
 - standard rate templates, 5-5
- pricing
 - methods, 5-10
 - overview, 5-1
- pricing options
 - lease sales quote, 7-4
- principal paydown, 31-53
- Print Consolidated Invoices, concurrent program, B-12
- Process Asset Management Transaction in FA, concurrent program, B-6
- Process Residual Value Writedown Transaction, concurrent program, B-6
- product
 - lease, 30-14, 30-15
 - option, defined, Glossary-15
 - quality, defined, Glossary-15
- profile
 - options, defined, Glossary-15
- profile option
 - OKL: Update Termination Option Rules, 31-18
- program agreements
 - abandon, 34-26
 - adding articles, 34-11
 - adding terms and conditions, 34-14
 - associating with lease templates, 34-15
 - creating, 34-6
 - creating parties and party contacts, 34-10
 - creating program agreements or program templates, 34-7
 - duplicating, 34-19
 - extending end date, 34-20
 - guidelines for attaching articles, 34-12
 - guidelines for change requests, 34-14
 - initiating change requests, 34-22
 - operating agreements, 34-2
 - prerequisites for abandoning a program agreement, 34-26
 - prerequisites for adding articles, 34-11
 - prerequisites for adding parties and party contacts, 34-10
 - prerequisites for adding terms and conditions,

- 34-13
- prerequisites for creating program agreements, 34-7
- prerequisites for duplicating, 34-19
- Prerequisites for extending end date, 34-20
- prerequisites for viewing validation checklist, 34-18
- selecting eligibility criteria, 34-17
- selecting options, 34-16
- steps for duplicating program agreements, 34-19
- steps for extending end date, 34-20
- terminate, 34-24
- terminating, 34-24
- terms and conditions, 34-12
- program agreements
 - steps for abandoning a program agreement, 34-26
- property tax, 12-23
 - view in lease center, 31-33
- provision, specific defined, Glossary-18
- purchase, termination quote amount, 20-18
- purchase option
 - defined, Glossary-16
 - set up, 10-27

Q

- quality assurance checklist
 - vendor agreement validation, 34-17
- quick note, create in lease center, 31-10
- quick quotes, 4-1
 - overview, 4-1
- quote
 - create for lease, 10-82
 - restructure, 21-1
 - See also insurance quote., 31-37
- quote calculation
 - set up early termination terms and conditions
 - early termination quote calculation, 10-35
 - set up end of term termination terms and conditions, 10-42
- quote history, defined, Glossary-16
- quotes
 - consolidated, 22-1
- quote type

- identify, 20-18
- See also termination quote type., 20-3

R

- rebook
 - mass rebook, 16-42
- rebook contract, steps, 16-6
- rebook date restriction, 16-4
- rebooked contract
 - restructure quote, 21-1
- rebooking
 - multiple contracts, 16-42
- rebooking, defined, Glossary-16
- rebook limit date, 16-4
- Re-Book Limit Date, 16-4
- receipts
 - future, 17-26
- Receipts
 - Creating, 18-4
- recourse, defined, Glossary-16
- refinance contract, 23-14
- related contracts tab, lease center, 31-63
- remarket
 - asset, about, 27-2
 - billing of asset sale, 27-10
 - orders, 27-5
 - sale of off-lease asset, 27-9
 - search for order, 27-5
- remarketer
 - specify, 27-8
- renewable contract
 - create, 23-13
- renewal options, set up, 10-20
- renewal quotes, 23-1
 - create, 23-4
 - search, 23-3
 - update, 23-6
- rent
 - solve for, 21-1
- repair
 - approve, 26-3
 - code for asset return, 26-5
 - cost, 26-5
 - detail, asset, 26-4
- repurchase
 - agreement, 27-8

- asset, 27-8
- defined, Glossary-16
- obtain third party approval, 20-42
- repurchase process, set up, 10-25
- request tab, lease center, 31-47
- request termination, contract status, 24-5
- resale. See remarket., 27-5
- residual amount, defined, Glossary-17
- residual value
 - change write down, 30-13
 - specify write down, 30-13
 - view details of, 30-14
 - write down, 30-13
- residual value insurance
 - defined, Glossary-17
 - set up, 10-22
- residual write-down, defined, Glossary-17
- resource category, defined, Glossary-17
- responsibility
 - defined, Glossary-17
- restructure, defined, Glossary-17
- restructure quote
 - contract status, 21-2
 - rebooked contract, 21-1
 - solve for rent, 21-1
 - solve for term, 21-1
 - what is, 21-1
- return
 - create condition line of asset, 26-3
 - create condition of asset, 26-2
 - issue repair invoice, 26-5
 - search for asset, 25-4
 - update asset, 25-7
 - update condition line of asset, 26-4
- revenue share
 - investor agreements, 33-20
- reverse contract, steps, 16-36
- reversed, contract status, 20-9, 21-2, 24-5, 24-8
- revision, view contracts under, 16-37
- role, defined, Glossary-17

S

- sales order, about, 27-5
- sales tax, 12-1
- sales-type lease, defined, Glossary-18
- sale tax

- create sales tax details, 10-50
- salvage value
 - change write down, 30-11
 - defined, Glossary-18
 - specify write down, 30-11
 - view details of, 30-12
 - write down, 30-11
- schedules tab, lease center, 31-59
- search
 - contract portfolio, 28-1
 - returned asset, 25-4
 - terminated contracts, 24-3
 - termination quote, 20-18
- Search and View
 - Receipts, 18-15
- securitization
 - investor agreements, 33-2
- securitization, defined, Glossary-18
- Securitization and Investor Management, 33-43
- security deposit
 - set up in contract, 10-20
 - view in lease center, 31-14
- serial number, asset, 30-12
- service lines
 - overview, 10-94
 - set up, 10-94
- shipping, specify instructions, 25-9
- short funding, 37-7
 - create, 37-7
- specific provision, defined, Glossary-18
- split asset
 - evergreen, 16-39
 - steps, 16-37
- standard rate templates, 5-5
- status
 - asset, 30-12
 - contract, 20-8
 - contract termination, 24-8
- status change
 - program agreements, 34-26
- statutes
 - agreements, A-4
 - credit lines, A-2
 - lease contracts, A-3
 - lease sales quotes, A-1
 - loan contracts, A-3
 - termination quotes, A-7

- straight-line depreciation, defined, Glossary-19
- stream
 - defined, Glossary-19
 - overview, 11-1
- stream purpose, defined, Glossary-19
- streams, 11-1
- stream type, defined, Glossary-19
- structure tab
 - billing set up, 31-12
 - lease center, 31-12
 - view interest rate, 31-14
- subledger, defined, Glossary-19
- subsidies
 - overview, 6-1
- supplier, defined, Glossary-19
- syndicated contract, defined, Glossary-19
- syndication
 - investor agreements, 33-1
- syndication, defined, Glossary-20

T

T&Cs

- terms and conditions, 10-12
- tasks tab, lease center, 31-58
- tax, termination quote amount, 20-18
- taxes and duties
 - setting up terms and conditions, 10-14
- terminate
 - contract, 24-1
 - program agreements, 34-24
- terminated, contract status, 20-9, 21-2, 24-5, 24-8
- terminated contract
 - about, 24-1
 - batch process contract termination, 24-7
 - request termination, 24-4
 - search, 24-3
- termination
 - defined, Glossary-21
- termination/renewal
 - view in lease center, 31-15
- termination completion, 24-1
- termination hold, contract status, 20-9, 21-2, 24-5, 24-8
- termination quote
 - accept, 20-40
 - amount details, 20-28

- change amounts, 20-36
- contract obligation amount, 20-18
- contract status, 20-8
- default standard, 20-35
- discount, 20-18
- early, 20-2
- early termination available, 20-18
- edit details, 20-33
- identify quote type, 20-18
- miscellaneous amount, 20-18
- pre-proceed, 20-5
- purchase amount, 20-18
- reasons for, 20-2
- search, 20-18
- send, 20-33
- send to party, 20-36
- set up process, 10-31
- tax or VAT, 20-18
- third party approval, 20-42
- total amount, 20-18
- update details, 20-14
- upon receipt, 20-5
- view amounts for, 20-18
- view messages, 20-38
- termination quotes
 - statuses, A-7
- termination quotes, lease center, 31-47
- termination quote template, 20-21
 - create, 20-21
 - use, 20-23
- termination quote type
 - recourse repurchase, 20-3, 20-4
 - rollover without purchase, 20-3
 - rollover with purchase, 20-3
 - without purchase, 20-3
 - with purchase, 20-3
- termination recourse repurchase, quote type, 20-3, 20-4
- termination requests, 24-1
- termination rollover without purchase, quote type, 20-3
- termination rollover with purchase, quote type, 20-3
- termination without purchase, quote type, 20-3
- termination with purchase, quote type, 20-3
- terms and conditions
 - asset return, 10-25

- billing set up, 10-17
- defined, Glossary-21
- evergreen, 10-20
- factoring, 10-20
- filing set up, 10-23
- investor agreements, 33-23
- late charges and interest set up, 10-18
- master lease agreement, 9-4
- program agreements, 34-12
- purchase option set up, 10-27
- renewal options, 10-20
- repurchase process, 10-25
- security deposit, 10-20
- set up, 10-12
- termination quote process, 10-31
- territory, defined, Glossary-21
- Third Party Billing Import, concurrent program, B-13
- third-party insurance
 - view in lease center, 31-40
- Third Party Insurance Follow-up, concurrent program, B-18
- transaction
 - date, 30-10
 - status, 30-9
- transactions
 - investor agreements, 33-25
- transaction tab, lease center, 31-26
- transaction type
 - asset, 30-9
 - defined, Glossary-21
- transfer and assumption, 16-44
 - defined, Glossary-21
- transfer and assumptions
 - lease center, 31-51

U

- UBB, defined, Glossary-21
- under revision, contract status, 20-8, 21-2, 24-5, 24-8
- under revision, view contracts, 16-37
- Universal Work Queue, navigate to in lease center, 31-3
- update, contract portfolio, 28-1
- upon receipt, quote acceptance, 20-5
- usage
 - contract line, 10-101

- usage asset
 - contract line set up, 10-103
- Usage Based Billing, concurrent program, B-13
- usage line, by asset, 10-103
- User-Defined Attributes Tab, 31-65
- user profile, defined, Glossary-22
- user status
 - booked, 21-2

V

- validation checklist
 - vendor agreements, 34-17
- variable rate
 - create interest rate details, 10-114, 10-119
- variable rate contracts
 - leases, 15-2
 - loans, 15-12
 - overview, 15-1
 - rebook, 15-52
- VAT, termination quote amount, 20-18
- vendor account
 - create, 34-2
- vendor agreements
 - validation checklist, 34-17
- Vendor Cash Flow dashboard, 2-11
- vendor program, defined, Glossary-22
- vendor programs
 - overview, 34-1, 34-2
- vendor residual sharing
 - business process, 36-2
 - calculate vendor residual sharing, 36-3
 - define vendor residual sharing terms, 36-3
 - overview, 36-1
- view
 - customer account information, 31-21
- view, assets, 20-37

W

- web services
 - access, 40-1
 - contract open interface, 40-2
 - funding processing API, 40-3
 - meter readings, 40-5
 - overview, 40-1
 - termination quote interface, 40-2

- third party billing interface, 40-2
- update asset return, 40-4
- write down
 - change residual value, 30-13
 - change salvage value, 30-11
 - residual value, 30-13
 - salvage value, 30-11
 - specify residual value, 30-13
 - specify salvage value, 30-11
 - view residual value details, 30-14
 - view salvage value details, 30-12